

Methodologies

- Workforce Housing Communities
- Preservation Geographic Priority Areas
- Community Economic Integration
- Access to Higher Performing Schools
- Location Efficiency
- Qualified Census Tracts, Tribal Equivalent Areas
- Rural/Tribal Designated Areas
- Cost Containment
- Continuum of Care (CoC) Priorities

This page intentionally blank.

Workforce Housing Communities Methodology

Communities with a need for workforce housing are identified through data on: total jobs in 2014; 5 year job growth; or long distance commuting. Data on jobs and growth are from the Minnesota Department of Employment and Economic Development's Quarterly Census of Employment and Wages¹. Data on commuting are from the US Census Bureau's Longitudinal Employer-Household Dynamics program². Workforce housing areas are defined separately for the Twin Cities Metro (7 County) and Greater Minnesota. The priority has two point levels, 6 and 3 points. The following sections describe the eligible communities and buffers around these communities for the two regions. Applicants will find interactive maps to identify whether a property falls within these areas at Minnesota Housing's website: www.mnhousing.gov > Policy & Research > Community Profiles.

- **6 Points**

- **Top Job Centers.** A community is eligible if it is one of the top 10 job centers in Greater Minnesota or the top 5 job centers in the Twin Cities Metro as of 2014 as defined by total jobs.

(OR)

- **Net Five Year Job Growth.** Communities are eligible in Greater Minnesota if they have at least 2,000 jobs in the current year and had a net job growth of at least 100 jobs in the last year. In the Twin Cities Metro the minimum net job growth is 500. Minnesota Housing will publish the most current available data from the Dept. of Employment and Economic Development, 2009-2014; but will add additional communities when more current data becomes available in April 2017 for the 2018 QAP.

(OR)

- **Individual Employer Growth.** A community is eligible if an individual employer has added at least 100 net jobs (for permanent employees of the company) during the last five years, and can provide sufficient documentation signed by an authorized representative of the company to prove the growth.

(OR)

- **3 Points**

- **Long Commute Communities.** A community is eligible if it is not a top job center, job growth community, or an individual employer growth community, yet is identified as a long commute community. These are communities where 15% or more of the communities' workforce travels 30+ miles into the community for work.

¹The 5 year job growth communities presented in this methodology are for 2009-2014. Minnesota Housing will also add eligible 2010-2015 growth communities by application release of the 2018 QAP. Data source: <http://mn.gov/deed/data/data-tools/qcew.jsp>

² Data from LEHD are current to 2013. Minnesota Housing will also add eligible communities with more current data available by application release of the 2018 QAP. Data source: <http://lehd.did.census.gov/data/>.

In each case above, communities are buffered by 10 miles in Greater Minnesota and 5 miles in the Twin Cities Metro to account for a modest commuted.

The maps and tables below and on following pages list and display eligible areas for the Twin Cities Metro (pages 2 and 3) and Greater Minnesota (pages 4 and 5). Additional communities that would become eligible in the next year with updated data will be added to the lists; no communities will be subtracted from the lists.

Twin Cities Metro Job Centers and Ranked Job Growth Communities 2009-2014 (6 Points)

Twin Cities Metro Top 5 Job Centers (2014)		Twin Cities Metro Communities With Net Growth of 500 Jobs or More (2009-2014)	
Minneapolis, Hennepin		Andover, Anoka	Lakeville, Dakota
Saint Paul, Ramsey		Anoka, Anoka	Little Canada, Ramsey
Bloomington, Hennepin		Apple Valley, Dakota	Maple Grove, Hennepin
Eagan, Dakota		Blaine, largely Anoka	Maplewood, Ramsey
Eden Prairie, Hennepin		Bloomington, Hennepin	Medina, Hennepin
		Brooklyn Center, Hennepin	Minneapolis, Hennepin
		Brooklyn Park, Hennepin	Minnetonka, Hennepin
		Burnsville, Dakota	New Brighton, Ramsey
		Chanhassen, largely Carver	Oakdale, Washington
		Chaska, Carver	Plymouth, Hennepin
		Coon Rapids, Anoka	Ramsey, Anoka
		Eagan, Dakota	Rogers, Hennepin
		Eden Prairie, Hennepin	Rosemount, Dakota
		Edina, Hennepin	Roseville, Ramsey
		Golden Valley, Hennepin	Saint Louis Park, Hennepin
		Ham Lake, Anoka	Saint Paul, Ramsey
		Hopkins, Hennepin	Shakopee, Scott
		Hugo, Washington	Vadnais Heights, Ramsey
		Inver Grove Heights, Dakota	Waconia, Carver
		Lake Elmo, Washington	Woodbury, Washington

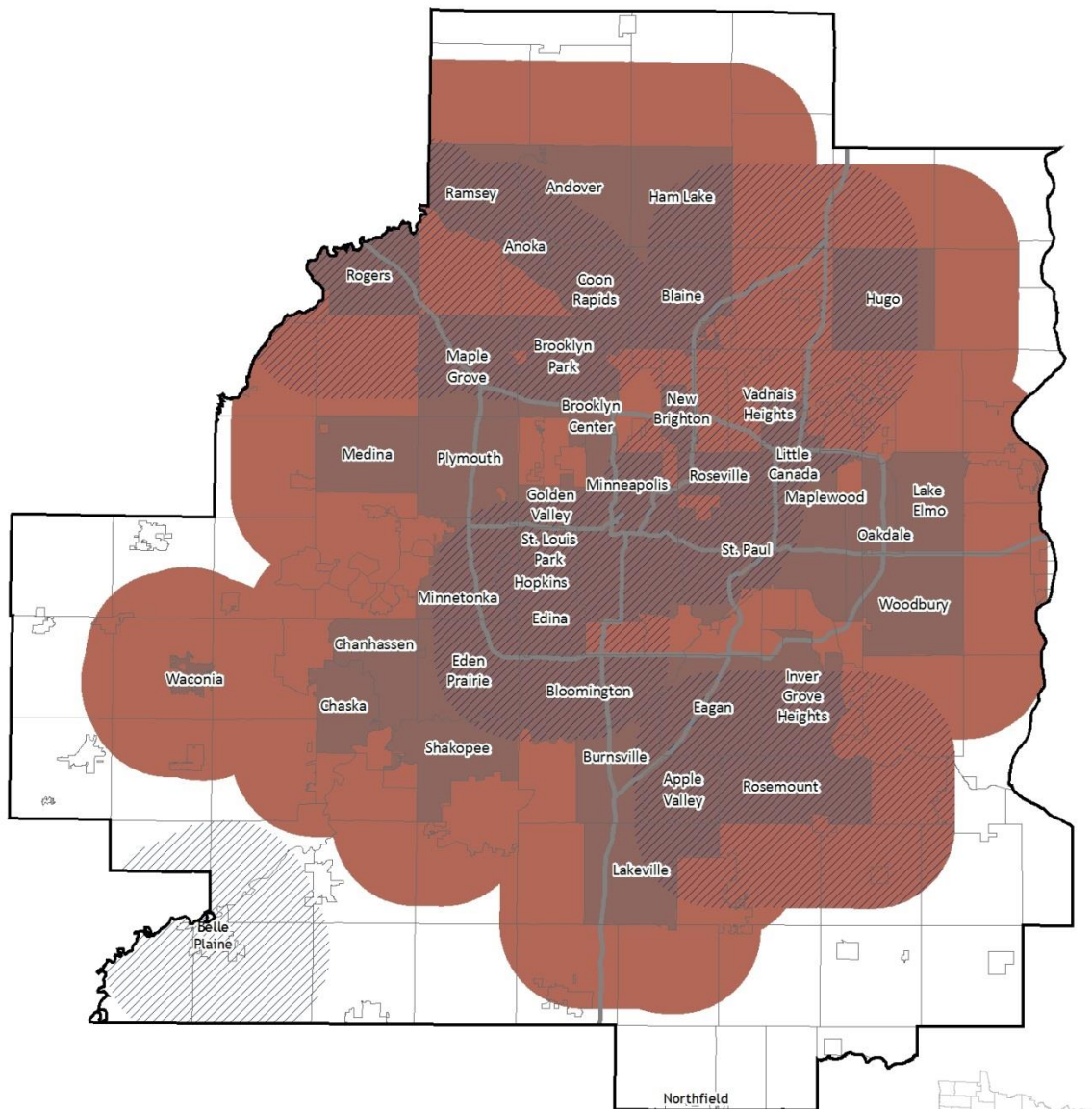
Source: Minnesota Housing analysis of Minnesota Dept. of Employment and Economic Development Quarterly Census of Employment and Wages (2009-2014).

Twin Cities Metro Long Commute Communities (3 Points)

Twin Cities Metro Long Commute Communities		
Belle Plaine	Falcon Heights	Rogers
Champlin	Lino Lakes	Rosemount
Edina	North Oaks	

Source: Minnesota Housing analysis of US Census Longitudinal Employer Household Dynamics Data, 2013.

Metro Workforce Housing Communities for 2018 QAP (with 2009-2014 data)



- Job centers are defined by total jobs in 2014.
- Job growth is a measure of change in total jobs between 2009 and 2014.
- To be eligible as a job growth community, a community must have 2,000 or more jobs in 2014.
- Long Commute Communities have 15% or more of the workforce traveling 30+ miles to work.



- Top 5 Job Center or Growth ≥ 500 Jobs (6 Points)
- Long Commute Community (3 points)

0 4 8 Miles



Source: Minnesota Housing analysis of MN Department of Employment and Economic Development's Quarterly Census of Employment and Wages. Date: 12/29/2015

Greater Minnesota Job Centers and Job Growth Communities 2008-2013 (6 Points)

Greater Minnesota Top 10 Job Centers (2014)		Greater MN Communities With Net Growth of 100 jobs or more, 2009-2014	
Rochester, Olmsted		Albertville, Wright	Melrose, Stearns
Duluth, Saint Louis		Alexandria, Douglas	Montevideo, Chippewa
Saint Cloud, largely Stearns		Baxter, Crow Wing	Monticello, Wright
Mankato, largely Blue Earth		Bemidji, Beltrami	Mora, Kanabec
Winona, Winona		Brainerd, Crow Wing	Mountain Iron, Saint Louis
Owatonna, Steele		Cambridge, Isanti	New Ulm, Brown
Willmar, Kandiyohi		Cannon Falls, Goodhue	North Branch, Chisago
Moorhead, Clay		Cloquet, Carlton	North Mankato, largely Nicollet
Austin, Mower		Delano, Wright	Northfield, largely Rice
Alexandria, Douglas		Detroit Lakes, Becker	Owatonna, Steele
		Dodge Center, Dodge	Perham, Otter Tail
		Duluth, Saint Louis	Red Wing, Goodhue
		Elk River, Sherburne	Rochester, Olmsted
		Faribault, Rice	Roseau, Roseau
		Glencoe, McLeod	Saint Cloud, largely Stearns
		Glenwood, Pope	Saint Michael, Wright
		Grand Rapids, Itasca	Saint Peter, Nicollet
		Hermantown, Saint Louis	Sartell, largely Stearns
		Hibbing, Saint Louis	Sauk Rapids, Benton
		Hinckley, Pine	Staples, largely Todd
		Lake City, Goodhue-Wabasha	Thief River Falls, Pennington
		Le Sueur, largely Le Sueur	Waite Park, Stearns
		Litchfield, Meeker	Willmar, Kandiyohi
		Luverne, Rock	Winona, Winona
		Mankato, largely Blue Earth	Wyoming, Chisago
		Marshall, Lyon	

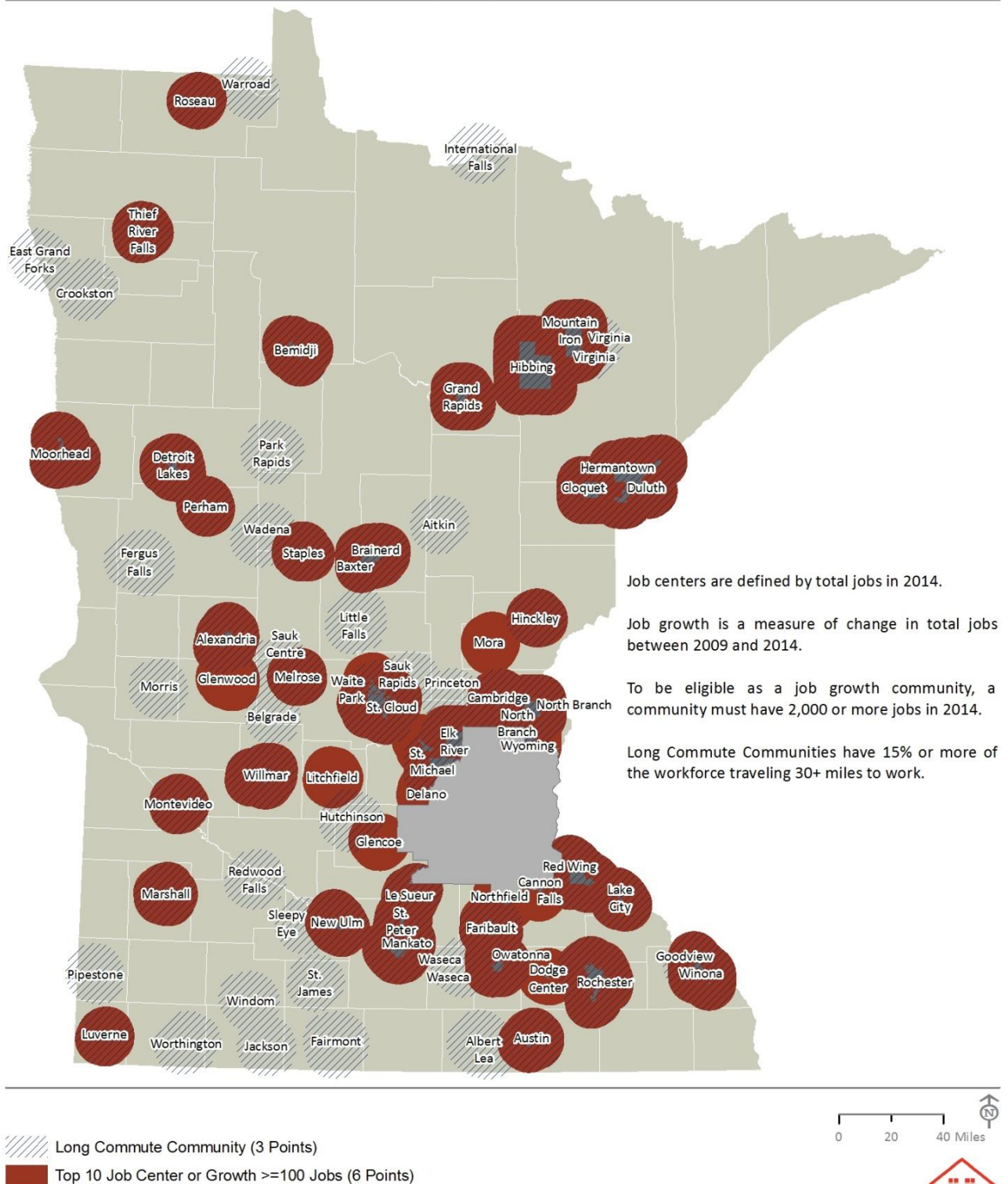
Source: Minnesota Housing analysis of Minnesota Dept. of Employment and Economic Development Quarterly Census of Employment and Wages (2009-2014).

Greater Minnesota Long Commute Communities (3 Points)

Greater Minnesota Metro Long Commute Communities			
Aitkin	Fergus Falls	Montevideo	Sauk Rapids
Albert Lea	Foley	Moorhead	Sleepy Eye
Alexandria	Goodview	Morris	St. Cloud
Austin	Grand Rapids	Mountain Iron	St. James
Baxter	Hermantown	New Ulm	St. Michael
Belgrade	Hibbing	North Branch	St. Peter
Bemidji	Hinckley	North Mankato	Staples
Brainerd	Hutchinson	Owatonna	Thief River Falls
Cambridge	International Falls	Park Rapids	Virginia
Cloquet	Jackson	Perham	Wadena
Crookston	Lake City	Pipestone	Waite Park
Detroit Lakes	Le Sueur	Princeton	Warroad
Duluth	Little Falls	Red Wing	Waseca
East Grand Forks	Luverne	Redwood Falls	Willmar
Elk River	Mankato	Rochester	Windom
Fairmont	Marshall	Roseau	Winona
Faribault	Melrose	Sauk Centre	Worthington

Source: Minnesota Housing analysis of US Census Longitudinal Employer Household Dynamics Data, 2013.

Greater Minnesota Workforce Housing Communities for 2018 QAP



Source: Minnesota Housing analysis of MN Department of Employment and Economic Development's Quarterly Census of Employment and Wages. Date: 12/29/2015

Preservation Geographic Priority Areas

In the preservation priority, there are three geographic-based areas defined in the self-scoring worksheet: regional definition, jobs and household growth communities, and communities with an affordable housing gap. This methodology defines each. Applicants will find interactive maps to identify whether a property falls within these areas on Minnesota Housing's website – www.mnhousing.gov > [Policy & Research](#) > [Community Profiles](#).

1. Regional Definitions

For the purposes of obtaining points for number of units preserved, the state is divided into two geographic regions, Metro/MSA counties, and Greater Minnesota rural counties. Table 1 below displays a list of counties in the Metro and Greater Minnesota MSAs.

Table 1 – Metro and MSA Counties

Region	Minnesota Counties
Duluth MSA	Carlton, Saint Louis
Fargo MSA	Clay
Grand Forks MSA	Polk
La Crosse MSA	Houston
Mankato MSA	Blue Earth, Nicollet
Rochester MSA	Dodge, Olmsted
Saint Cloud MSA	Benton, Stearns
Twin Cities 7 County Metro	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington
Twin Cities MSA (outside of 7 County Metro)	Chisago, Isanti, Le Sueur*, Mille Lacs*, Sibley*, Sherburne, Wright

* These counties are new to the Twin Cities MSA as of 2013.

2. Job and Household Growth Communities Methodology

Areas can be defined as a growth community in two ways, through job or household growth. Job growth areas are determined by a city or township's job growth between 2009 and 2014, based on data from the Minnesota Department of Employment and Economic Development's Quarterly Census of Employment and Wages¹. Household growth areas are determined by a census tract or city's growth in total households between 2000 and 2014, based on data from the US Census's Decennial Census and American Community Survey.

2.1 Job Growth

The methodology for determining areas with job growth is consistent with the methodology used in the "workforce housing" priority. However, the job growth area for preservation and the workforce area differ with the workforce housing priority including areas with a large number of jobs, not just job growth.

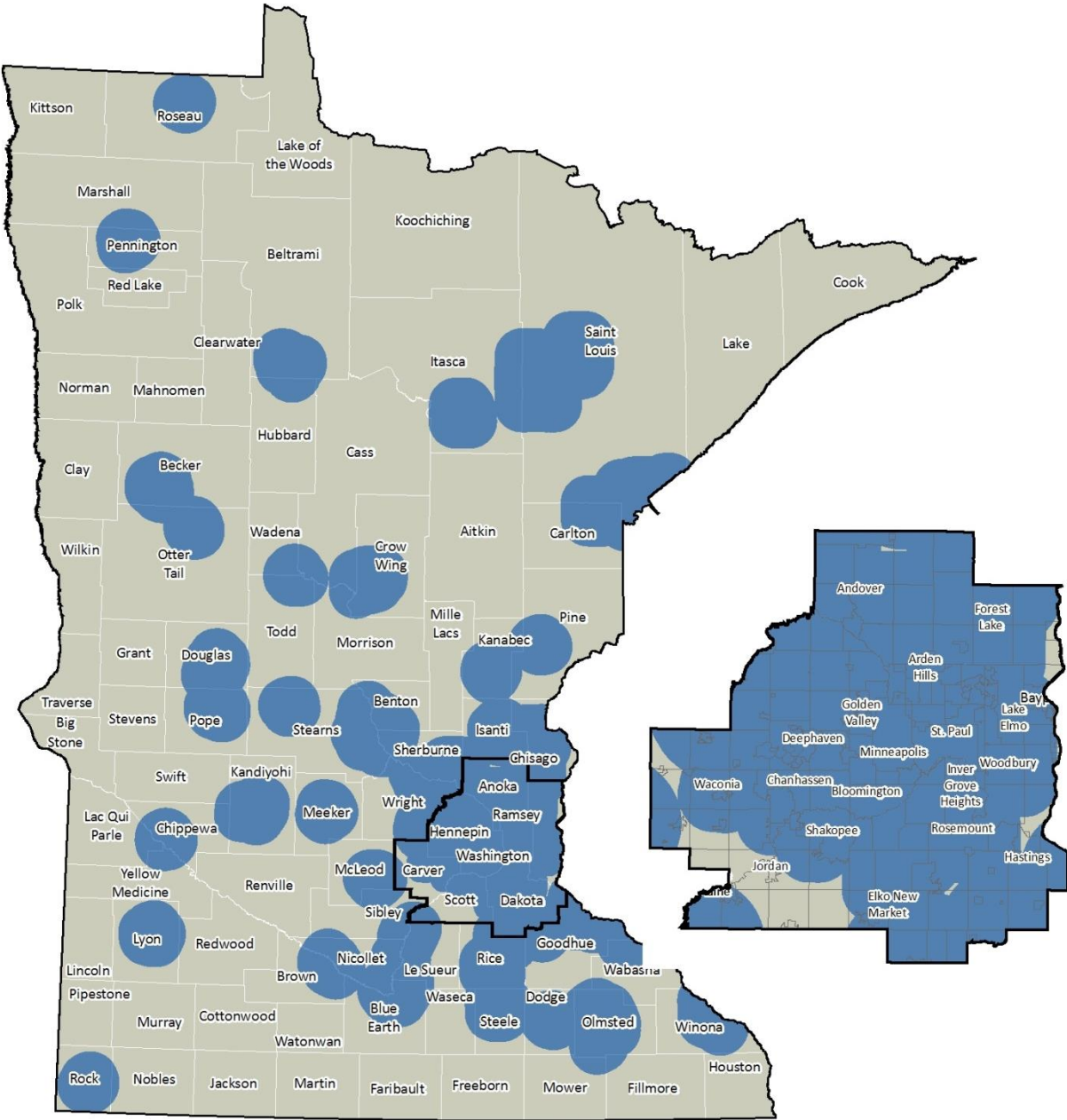
Communities will be identified as job growth if they are in Greater Minnesota with at least 2,000 jobs in the current year that have had a net job growth of a minimum of 100 jobs, or in the Twin Cities Metro with a net job growth of 500 or more in the past 5 years. Minnesota Housing is publishing the most current available data from the Dept. of Employment and Economic Development (2009-2014); but will add additional communities using the most current data available when the application is released for the 2018 QAP in April 2017. Areas within five miles of communities in the Twin Cities seven county metro area and within 10 miles of communities in Greater Minnesota are included for a modest commuteshed. Table 2 on the next page and the map on page 4 identify and show the communities that meet this definition. An interactive version of this map is available on the Minnesota Housing website: www.mnhousing.gov > [Policy & Research](#) > [Community Profiles](#).

¹<http://mn.gov/deed/data/data-tools/qcew.jsp>

Table 2 – Job Growth Communities 2009-2014

Twin Cities Metro Communities With Net Growth of 500 Jobs or More (2009-2014)		Greater MN Communities With Net Growth of 100 jobs or more, 2009-2014	
Andover, Anoka	Lakeville, Dakota	Albertville, Wright	Melrose, Stearns
Anoka, Anoka	Little Canada, Ramsey	Alexandria, Douglas	Montevideo, Chippewa
Apple Valley, Dakota	Maple Grove, Hennepin	Baxter, Crow Wing	Monticello, Wright
Blaine, Anoka	Maplewood, Ramsey	Bemidji, Beltrami	Mora, Kanabec
Bloomington, Hennepin	Medina, Hennepin	Brainerd, Crow Wing	Mountain Iron, Saint Louis
Brooklyn Center, Hennepin	Minneapolis, Hennepin	Cambridge, Isanti	New Ulm, Brown
Brooklyn Park, Hennepin	Minnetonka, Hennepin	Cannon Falls, Goodhue	North Branch, Chisago
Burnsville, Dakota	New Brighton, Ramsey	Cloquet, Carlton	North Mankato, Nicollet
Chanhassen, Carver	Oakdale, Washington	Delano, Wright	Northfield, largely Rice
Chaska, Carver	Plymouth, Hennepin	Detroit Lakes, Becker	Owatonna, Steele
Coon Rapids, Anoka	Ramsey, Anoka	Dodge Center, Dodge	Perham, Otter Tail
Eagan, Dakota	Rogers, Hennepin	Duluth, Saint Louis	Red Wing, Goodhue
Eden Prairie, Hennepin	Rosemount, Dakota	Elk River, Sherburne	Rochester, Olmsted
Edina, Hennepin	Roseville, Ramsey	Faribault, Rice	Roseau, Roseau
Golden Valley, Hennepin	Saint Louis Park, Hennepin	Glencoe, McLeod	Saint Cloud, Stearns
Ham Lake, Anoka	Saint Paul, Ramsey	Glenwood, Pope	Saint Michael, Wright
Hopkins, Hennepin	Shakopee, Scott	Grand Rapids, Itasca	Saint Peter, Nicollet
Hugo, Washington	Vadnais Heights, Ramsey	Hermantown, Saint Louis	Sartell, largely Stearns
Inver Grove Heights, Dakota	Waconia, Carver	Hibbing, Saint Louis	Sauk Rapids, Benton
Lake Elmo, Washington	Woodbury, Washington	Hinckley, Pine	Staples, largely Todd
		Lake City, Goodhue-Wabasha	Thief River Falls, Pennington
		Le Sueur, largely Le Sueur	Waite Park, Stearns
		Litchfield, Meeker	Willmar, Kandiyohi
		Luverne, Rock	Winona, Winona
		Mankato, Blue Earth	Wyoming, Chisago
		Marshall, Lyon	

Map 1 - Job Growth Priority Areas



Job Growth Areas

Includes areas within five miles of job growth communities in the Twin Cities Metro with a new job growth of 500 or more, and within ten miles of all job growth communities (for communities with at least 2,000 jobs) in Greater Minnesota.

0

20

40 Miles

N

Minnesota Housing

Finance Agency

Source: MN Dept. of Employment and Economic Development Quarterly Census of Employment and Wages (2009 and 2014), 1/5/2016

2.2 Household Growth

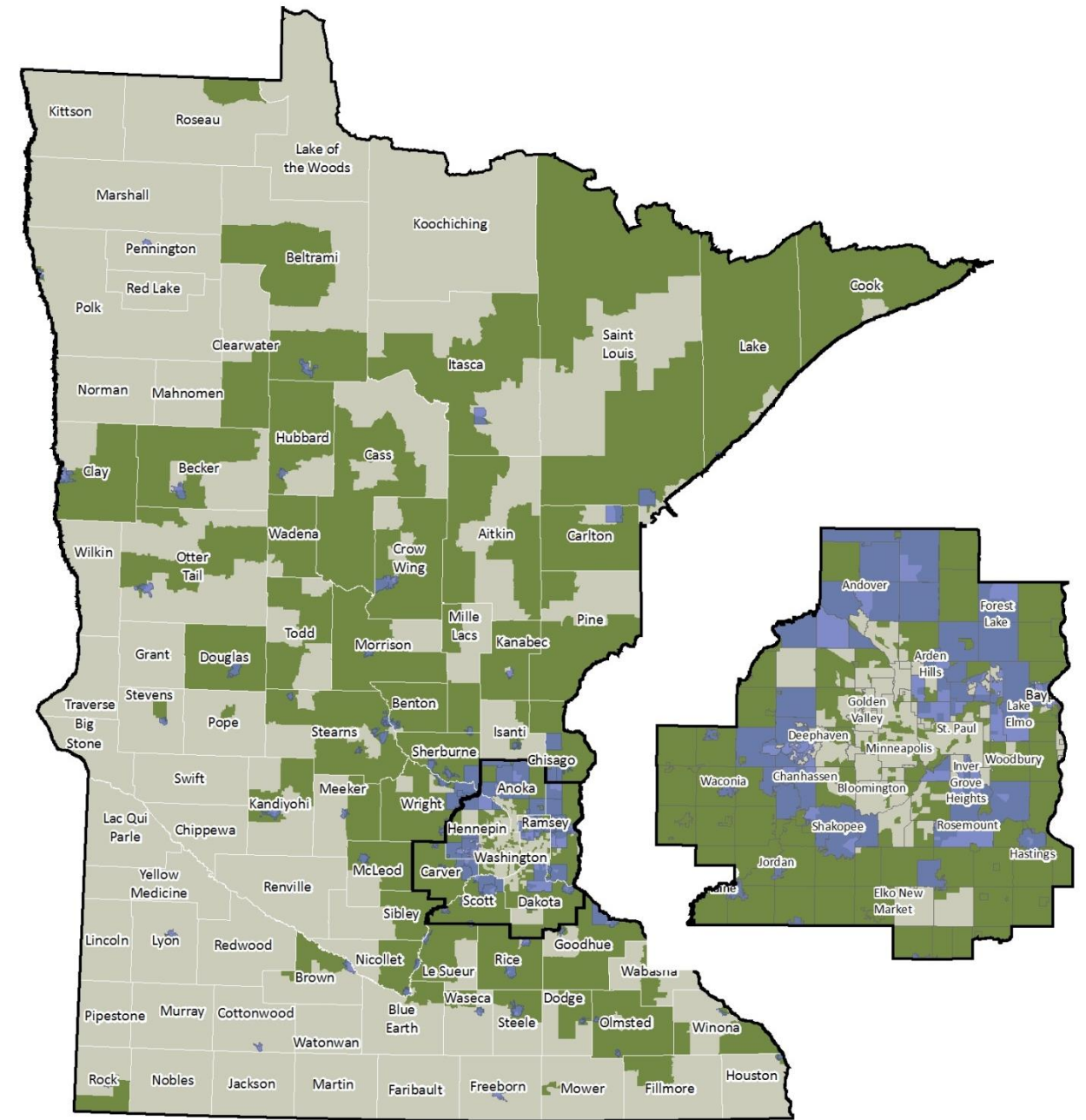
To be identified as a community with household growth, an area is eligible in two ways. First, census tracts with total household growth of 100 or more between 2000 and 2014 are eligible. An increase of 100 households represents the 60th percentile of household change statewide. (60% of census tracts in the state had a change in households less than 100.)

Census tracts are variable in size of geography and typically contain 1,500 households. As such, tracts can range in size from small neighborhoods within an urban area to hundreds of square miles in rural areas, containing multiple small townships. Because of this variability a census tract doesn't always capture a "housing market". Smaller cities and townships can also capture a market. Larger cities (more than 15,000 households) often have multiple neighborhoods and housing markets. Data for cities and townships with fewer than 1,500 households are not always reliable from the American Community Survey. Furthermore, the boundaries of census tracts and cities do not coincide. Thus, a tract that partially goes into a growing city may not show growth itself if the population in the tract that is outside the city is declining

Thus, small to medium sized cities (between 1,500 and 15,000 households) are also evaluated for growth. These cities contain between 1-10 census tracts and could be considered a single housing market. Cities of this size that have household growth of at least 100 households are added to the census tracts with growth to form a more complete eligibility area.

The map on the next page shows the areas eligible under the household growth criterion. An interactive version of this map is available on the Minnesota Housing website: www.mnhousing.gov > [Policy & Research](#) > [Community Profiles](#).

Map 2 - Household Growth Priority Areas



- Tracts, HH Change ≥ 100
- Small and Medium Sized Cities HH Change ≥ 100

Small and medium sized cities include those containing between 1,500 and 15,000 households, and are visible on the map only where a tract does not achieve the growth threshold of 100 households.



Source: Minnesota Housing analysis of 2000 Census and American Community Survey 2010-2014 data, Date printed: 1/5/2016

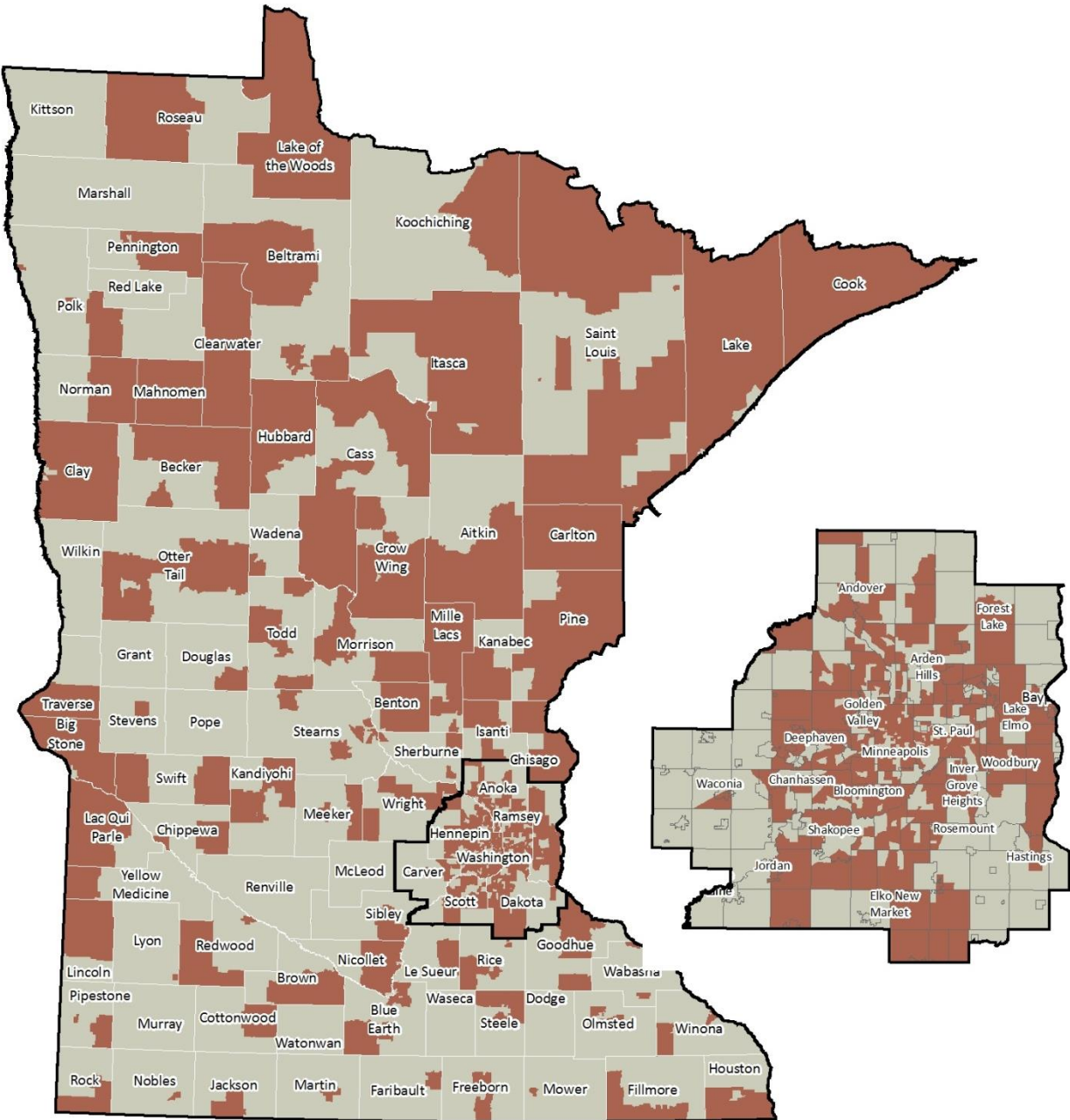


3. Communities with an Affordable Housing Gap Methodology

3.1. Supply and Demand Gap of Affordable Rental Housing

To be identified as a community with a gap in affordable housing, census tracts need to have a gap of affordable housing units as calculated by the difference between the number of renters in a tract that have incomes at or below 50% of Area Median Income (AMI) and the number of rental units that are affordable to households at or below 50% AMI. Using HUD's Comprehensive Housing Affordability Strategy (CHAS) data from 2008-2012, a gap of 5 units represents the 50th percentile of census tracts (50% of tracts have a smaller gap). Map 3 on the following page shows the Statewide and Metro areas with large gaps. Areas in maroon depict tracts that achieve this threshold.

Map 3 - Affordable Unit Gap



Affordable Unit Gap 5 Units or More (50% AMI)

Difference between the number of renter households with annual incomes <=50% of area median income (AMI) and the number of rental units affordable to households with annual incomes <=50% AMI.

0

20

40 Miles

N

Minnesota

Housing

Finance Agency

Source: Minnesota Housing analysis of HUD's 2008-2012 Comprehensive Affordability Housing Strategy (CHAS) data, Date printed: 1/5/2016

8 | 2/25/2016

Community Economic Integration Methodology

Community economic integration is defined by Minnesota Housing in two tiers based on median family income and access to jobs.

Communities are eligible for these points in the 7-county Twin Cities metropolitan area and areas in and around Duluth, St. Cloud, and Rochester. For applicants to be awarded 7 or 9 points for community economic integration, the proposed housing needs to be located in a community (census tract) with the median family income meeting or exceeding the region's¹ 40th percentile for 7 points and 80th percentile for 9 points, based on data published in the American Community Survey (ACS) for 2014. For each region, the 40 percent of census tracts with the lowest incomes are excluded from receiving points. The census tract must also meet or exceed a regional threshold for low and moderate wage jobs² within five miles of the Census tract based on data published by the Local Employment Dynamics program of the US Census Bureau for 2013. In the Twin Cities metro, the 10 percent of census tracts with the fewest low and moderate wage jobs within five miles of the tract are excluded, and in Greater Minnesota, the 20 percent of census tracts with the fewest low and moderate wage jobs are excluded³. To promote economic integration, the criteria identify higher income communities that are close to low and moderate wage job centers.

This document includes maps of the census tracts that meet the two tiers of community economic integration as well as a list of census tracts by county for each tier. Maps 1 and 2 display the Census tracts that meet these criteria, and the corresponding tables show the total number of jobs and median incomes needed to achieve the thresholds by region. In the maps we have identified racially/ethnically-concentrated areas of poverty (R/ECAPs), which are a Census tract-based concept developed by HUD⁴. R/ECAPs are not located in tracts eligible for economic integration points. Interactive tools will be made available for applicants and staff to map project locations and determine economic integration points through the community profiles at www.mnhousing.gov > Policy & Research > Community Profiles.

Areas outside the 7-county Twin Cities metropolitan area, Duluth, Rochester, and St. Cloud are not eligible for economic integration or school performance points, but they are eligible for 10 points under the Rural/Tribal Designated Areas.

¹ For the purpose of assessing income and access to jobs by region, Minnesota Housing used three regional categories: 1) Twin Cities 7 County Metropolitan Area, 2) Counties making up Greater Minnesota MSAs, including: Duluth, St. Cloud, Rochester, Mankato/North Mankato, Grand Forks, and La Crosse, and four Twin Cities MSA counties outside of the 7 county metro, and 3) Balance of Greater Minnesota. The purpose of the regional split is to acknowledge that incomes and access to jobs varies by region. A higher income community close to jobs in the metro is very different than a higher income community close to jobs in rural Greater Minnesota.

² Low and moderate wage jobs are those with a monthly earning less than or equal to \$3,333, using LED data from the US Census (2013).

³ In the case where an urban-sized Census tract (less than 25 square miles) is completely surrounded by a census tract that meets this eligibility, it is also identified as having access to jobs.

⁴ R/ECAPs must have a non-white population of 50 percent or more and has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower (http://egis.hud.opendata.arcgis.com/datasets/320b8ab5d0304daaa7f1b8c03ff01256_0).

First Tier Community Economic Integration – 9 Points

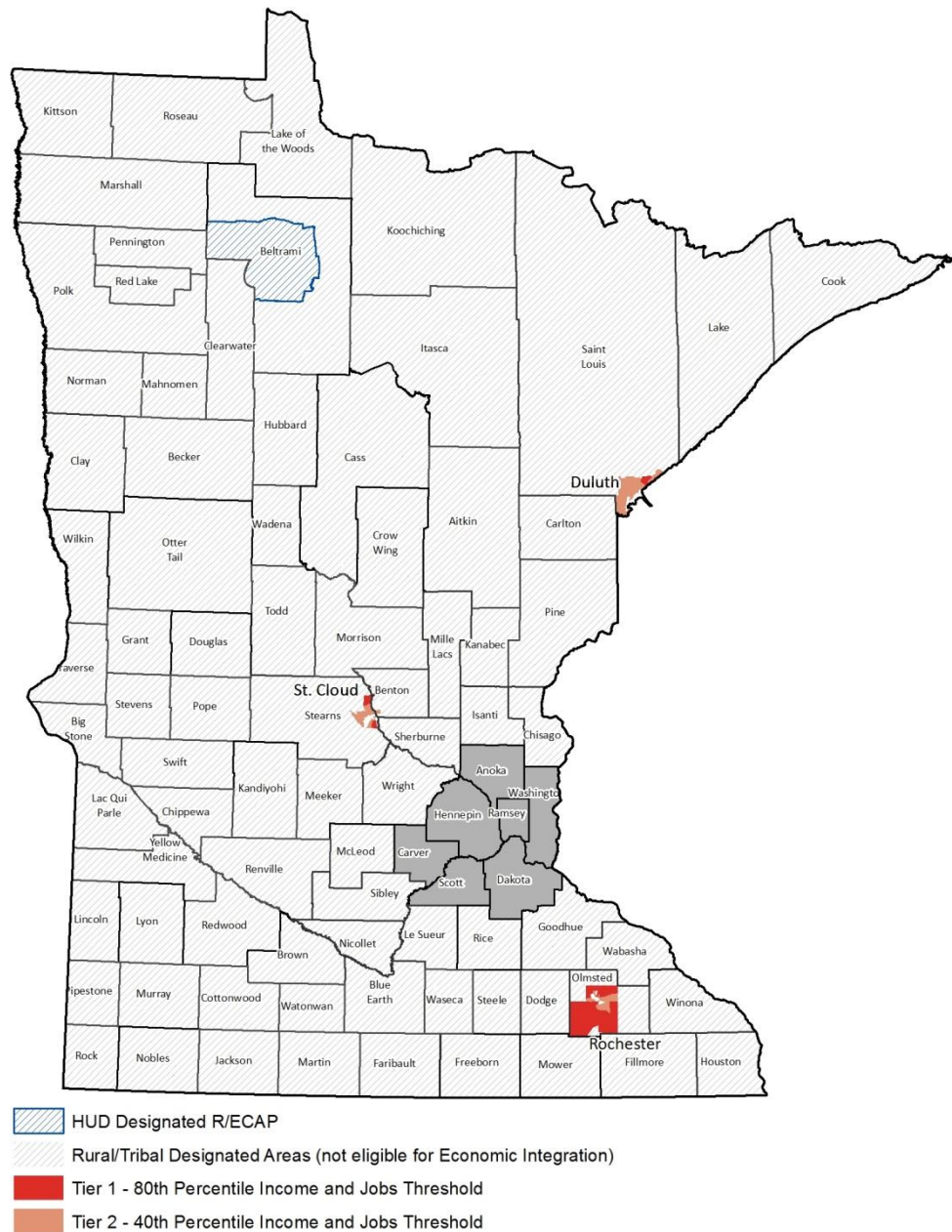
Meet or exceed the 80th percentile of median family income and meet or exceed the 20th percentile of low and moderate wage jobs within 5 miles of the Census tract in Greater Minnesota and the 10th percentile of low and moderate wage jobs within 5 miles in the Twin Cities Metro.

Second Tier Community Economic Integration – 7 Points

Meet or exceed the 40th percentile of median family income (but less than the 80th percentile) and meet or exceed the 20th percentile of low and moderate wage jobs within 5 miles of the Census tract in Greater Minnesota and the 10th percentile of low and moderate wage jobs within 5 miles in the Twin Cities Metro.

Table 1 – Jobs and Median Family Income Thresholds by Region.

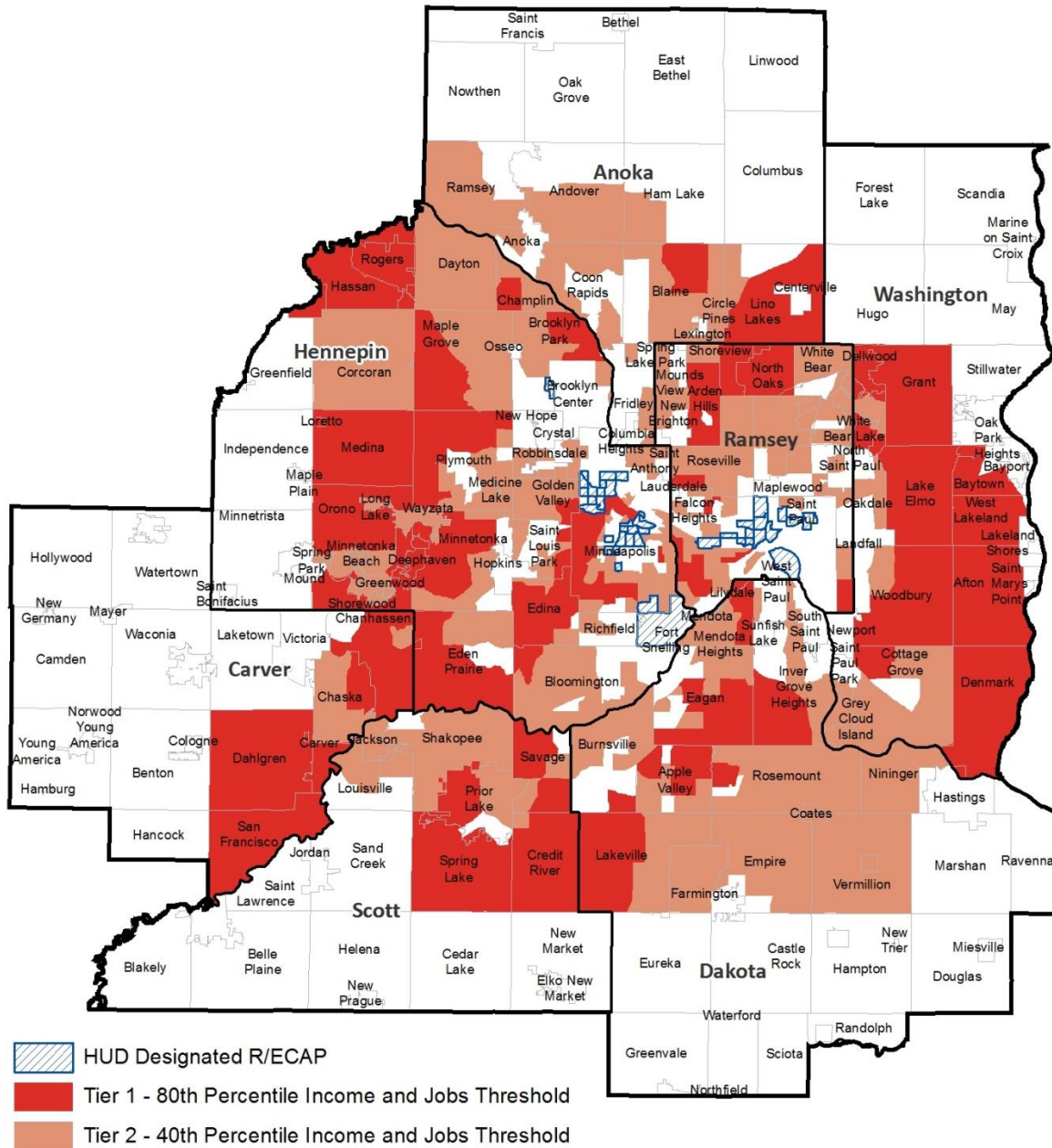
Community Economic Integration (Twin Cities Metro on next page)	Non Metro MSAs
Jobs within 5 miles / 20 th percentile	3,713
Med Family Income / 40 th percentile	\$62,083
Med Family Income / 80 th percentile	\$88,397

MAP 1 – CENSUS TRACTS MEETING REGION'S 40TH AND 80TH PERCENTILE THRESHOLDS FOR MEDIAN INCOME & 20TH PERCENTILE FOR LOW AND MODERATE WAGE JOBS WITHIN 5 MILES (OUTSIDE OF RURAL/TRIBAL AREAS)

MAP 2 – TWIN CITIES 7 COUNTY METRO DETAIL - CENSUS TRACTS MEETING REGION'S 40TH AND 80TH PERCENTILE THRESHOLDS FOR MEDIAN INCOME & 10TH PERCENTILE FOR LOW AND MODERATE WAGE JOBS WITHIN 5 MILES

Twin Cities 7 County Metro

Jobs within 5 miles / 10 th percentile	18,156
Med Family Income / 40 th percentile	\$73,403
Med Family Income / 80 th percentile	\$109,718



Census Tract Listing by County for Economic Integration

(* denotes tract achieves second tier)

Anoka		Carver		607.38	*	107	
502.08	*	905.02		607.42		110	*
502.15	*	905.03		607.44		117.03	
502.19	*	906.01	*	607.47	*	117.04	*
502.2	*	906.02		607.48	*	118	*
502.21	*	907.01		607.49	*	119.98	*
502.22	*	907.02		608.06		120.01	*
502.23	*	908	*	608.11	*	121.02	*
502.24	*	909		608.12	*	201.01	*
502.26	*	910	*	608.13		209.02	*
502.27	*	911		608.14		210.02	*
502.28	*	Dakota		608.15		212	*
502.29	*	601.03	*	608.16		214	*
502.3		602.01	*	608.17	*	215.04	*
502.36		603.02	*	608.18	*	215.05	*
502.37		605.06	*	608.19	*	216.01	*
504.01	*	605.07	*	608.2		216.02	*
506.05	*	605.08		608.21	*	217	*
506.09	*	605.09	*	608.22		218	
506.1	*	606.03		608.23		219	*
507.07	*	606.04	*	608.24	*	222	*
507.09	*	606.05	*	608.25		223.01	*
507.1	*	606.06		608.26	*	228.01	
507.11	*	607.09	*	608.29	*	228.02	*
507.12	*	607.1	*	609.02	*	229.01	
508.05	*	607.13	*	609.06	*	229.02	
508.13	*	607.14	*	609.07	*	230	*
508.16	*	607.16		610.01	*	231	
508.18		607.17	*	610.03	*	235.01	*
508.19		607.21	*	610.04		235.02	
508.2	*	607.26	*	610.07	*	236	
508.21	*	607.27	*	610.09	*	237	
509.02	*	607.28		Hennepin		238.01	
510.02	*	607.29		3	*	238.02	
512.03	*	607.3		6.01	*	239.01	
513.02	*	607.31		6.03	*	239.02	
515.02	*	607.32		11	*	239.03	
Benton		607.33	*	81	*	240.03	*
211.02	*	607.34		106		240.04	*

240.06		264.04		272.02	*	Olmsted	
241	*	265.05	*	272.03	*	1	*
242	*	265.07	*	273	*	4	
245	*	265.08		274		9.01	*
252.05	*	265.09		275.01	*	9.02	*
253.01	*	265.1	*	275.03		9.03	
256.01	*	265.12	*	275.04		10	*
256.03	*	266.05		1012	*	11	*
256.05	*	266.06		1036	*	12.01	
257.01	*	266.09	*	1051		12.02	
257.02	*	266.1		1052.01	*	12.03	
258.01	*	266.11	*	1054	*	13.01	*
258.02	*	266.12		1055		13.02	*
258.05	*	266.13		1065		14.02	
259.03	*	267.06	*	1066		15.01	*
259.05		267.07	*	1067	*	15.02	*
259.06	*	267.08	*	1075	*	15.03	
259.07	*	267.1	*	1076	*	16.01	*
260.05	*	267.11	*	1080		16.02	
260.06	*	267.12	*	1089		16.03	
260.07	*	267.13	*	1090	*	17.01	*
260.13		267.14		1091		17.03	
260.14		267.15		1093	*	22	
260.15		267.16		1098		23	*
260.16		268.12	*	1099	*	Ramsey	
260.18		268.15	*	1102	*	301	*
260.21		268.16	*	1105	*	302.01	
260.22		268.2		1108	*	303	*
261.01	*	268.22		1109	*	306.02	*
261.03	*	268.23	*	1111	*	321	*
262.01		269.03	*	1112		322	*
262.02		269.06	*	1113		323	*
262.05		269.07		1114		332	*
262.06		269.08	*	1115		333	*
262.07	*	269.09		1116		349	*
262.08	*	269.1	*	1226	*	350	*
263.01		271.01		1256	*	351	
263.02		271.02	*	1261		352	*
264.03	*	272.01		1262		353	*

355	*
357	
358	
360	*
363	
364	
365	*
366	*
367	*
375	
376.01	*
401	*
402	*
403.01	*
403.02	*
404.02	*
405.03	*
406.01	
406.03	*
406.04	*
407.03	*
407.04	*
407.05	*
407.06	
407.07	
408.01	
408.03	
410.01	*
410.02	*
411.04	*
411.05	*
411.06	*
413.01	
413.02	*
414	*
415	*
416.01	*
417	*
418	*

419	*
421.02	*
423.01	*
424.02	*
425.03	
425.04	*
426.01	*
429	*
430	
Scott	
802.01	
802.02	
802.03	*
802.04	*
802.05	
803.01	*
803.02	*
806	*
807	*
809.03	
809.05	*
809.06	*
810	
St. Louis	
1	
2	*
3	*
4	*
5	
6	*
7	
9	*
10	*
11	
22	*
23	*
30	*
38	*
101	*

102	*
103	*
157	*
Stearns	
4.01	*
4.02	
6.02	*
9.01	*
10.01	*
101.01	
101.02	*
113.01	*
Washington	
703.01	
703.03	
703.04	*
704.03	
704.05	
704.06	
707.01	
709.06	*
709.09	*
710.06	*
710.1	
710.11	
710.13	*
710.14	
710.15	
710.16	
710.17	
710.18	
711.02	
712.06	
712.07	*
714	*

This page intentionally blank.

Access to Higher Performing Schools Methodology

Access to higher performing schools is based on whether a development is located in an area that meets at least two out of three school performance assessments:

- Share of 3rd graders who are reading proficient - 2014/2015 school year -Need to meet or exceed the statewide rate of 58.7%¹
- Share of 8th graders who are math proficient - 2014/2015 school year -Need to meet or exceed the statewide rate of 57.8%¹
- Share of high school students that graduate on time - 2013/2014* school year -Need to meet or exceed the statewide rate of 81.17%²

Applicants can receive 4 points if the development is located in an area considered to have access to higher performing schools. The same regions eligible for economic integration points are also eligible for access to higher performing school points. This includes the 7-county Twin Cities metropolitan area, along with areas in and around Duluth, Rochester, and Saint Cloud.

Each elementary school, middle school³, and high school attendance boundary are assessed separately and then combined for a final score. If a school is equal to or greater than the statewide average, it meets that performance threshold for that measure. If at least two of the three measurements achieve the performance threshold, the area is eligible for points.

Access to higher performing schools is based on elementary attendance boundaries⁴. Points for 8th grade math proficiency and high school graduation rate are assigned to the elementary school that feeds into those middle and high schools. Private, charter, and magnet schools are excluded from this analysis.

****Minnesota Department of Education has not released 2014/2015 graduation rates. Minnesota Housing will update with 2014/2015 data upon its release if prior to final publication of the Qualified Allocation Plan on April 28, 2016, adding any areas that become eligible with the new data and subtracting areas that no longer qualify.***

This document includes maps of the areas eligible for points given their access to higher performing schools. Interactive tools will be made available for applicants and staff to map project locations and determine the high-performing school points through the community profiles at www.mnhousing.gov > Policy & Research > Community Profiles.

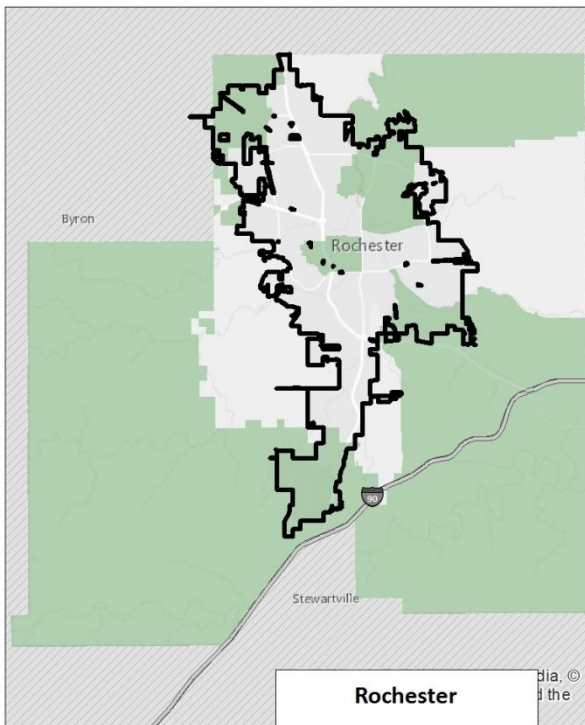
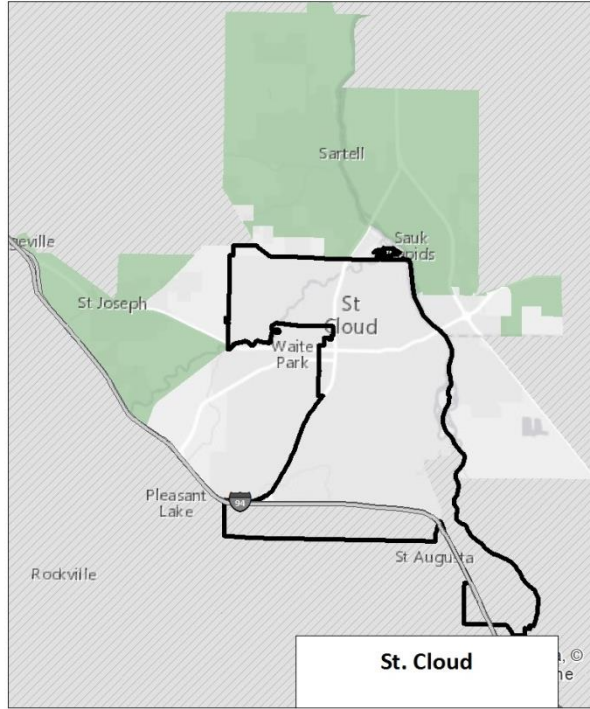
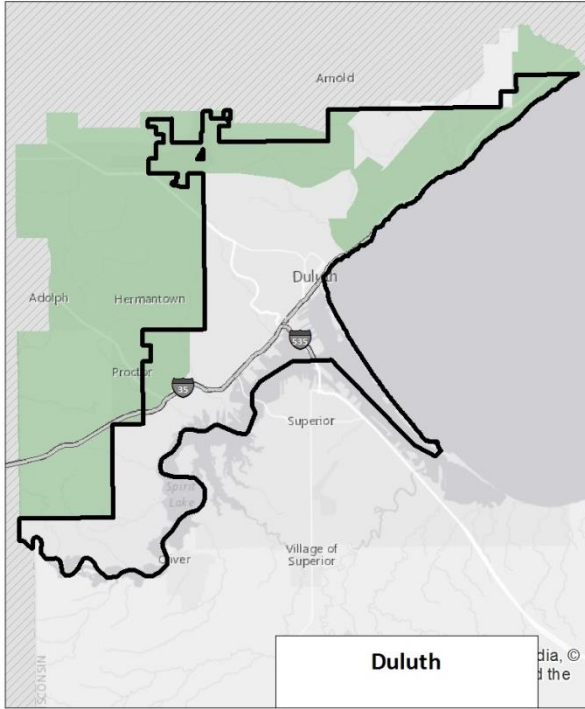
¹ Based on Minnesota Comprehensive Assessments (MCA) Series III test scores by school for 2014/2015 school year – 3rd and 8th grade proficiency. Data source: <http://w20.education.state.mn.us/MDEAnalytics/Data.jsp>.

² Based on 4-year graduation rates by school for 2013/2014 school year. Data source: <http://w20.education.state.mn.us/MDEAnalytics/Data.jsp>.

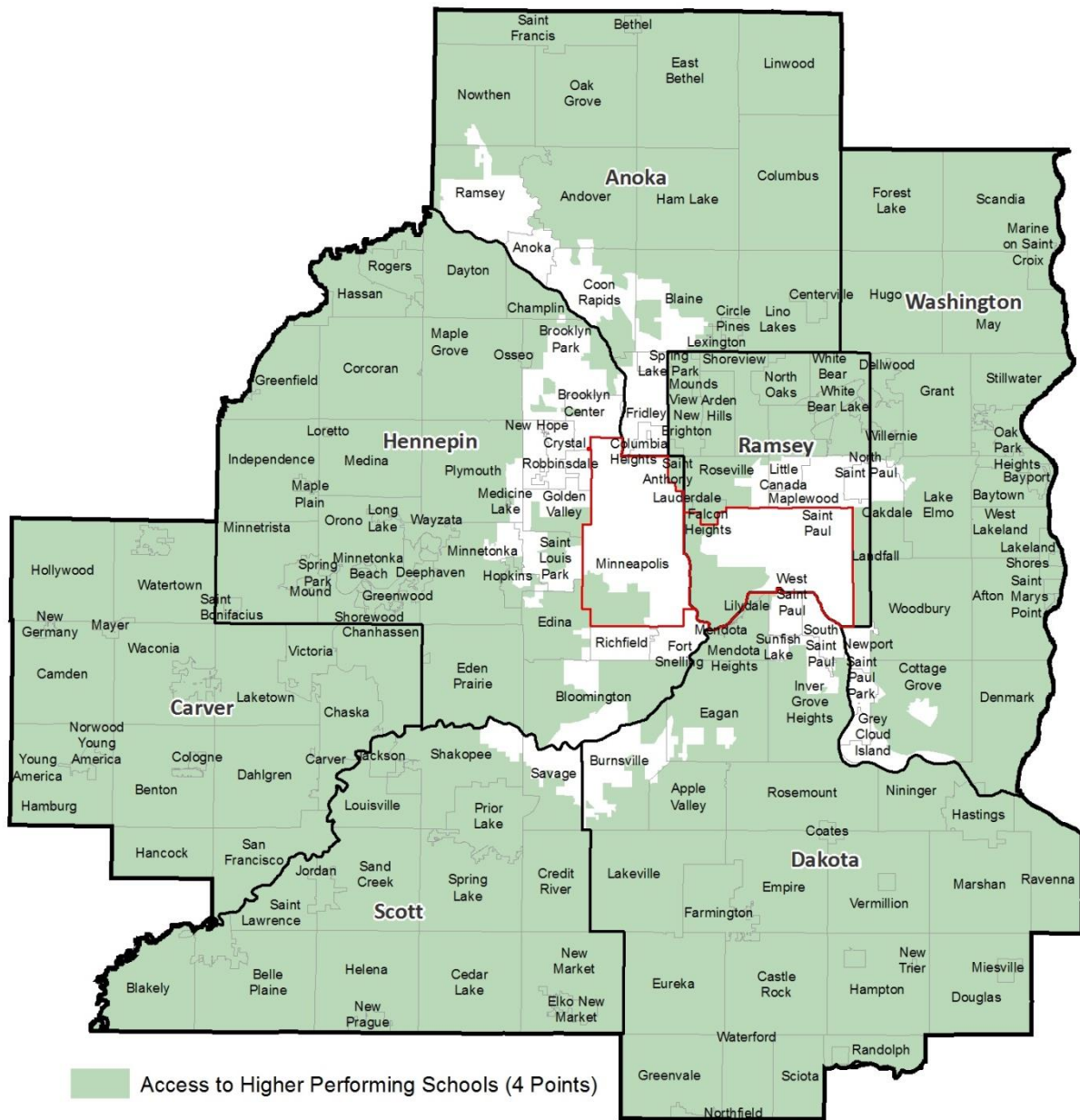
³ If a middle school attendance boundary is not defined or a middle school does not exist, the high school attendance boundary is used.

⁴ Data source Minnesota Department of Education via the Minnesota Geospatial Commons: <https://gisdata.mn.gov/organization/us-mn-state-mde>.

Areas outside the 7-county Twin Cities metropolitan area, Duluth, Rochester, and St. Cloud are not eligible for school performance or economic integration points, but they are eligible for 10 points under the Rural/Tribal Designated Areas.



Access to Higher Performing Schools (4 Points)



This page intentionally blank.

Location Efficiency Methodology

Location efficiency is defined by Minnesota Housing through a combination of access to transit and walkability criteria in the Twin Cities Metro and Greater Minnesota.

Twin Cities Metropolitan Area

In the Twin Cities Metro, applicants can receive up to 9 points for location efficiency based on three criteria. First, applicants must achieve one of three levels of access to transit. Second, up to two additional points are available for walkability as measured by Walk Score (www.walkscore.com). Finally, up to two additional points are available for transit oriented design.

<ul style="list-style-type: none">Access to Transit (one of the following): <i>Applicants can map project locations and determine access to transit points at the Minnesota Housing Community Profiles tool: www.mnhousing.gov > Research & Publications > Community Profiles</i>		
Proximity to LRT/BRT/Commuter Rail Station	Locations within ½ mile of a planned ¹ or existing LRT, BRT, or Commuter Rail Station. As of publication, lines include: Hiawatha, Central Corridor, Bottineau, and Southwest LRT, Northstar Commuter Rail, and stations of the Cedar Ave, Snelling, and I-35W BRT lines.	<u>Points</u> 5
Proximity to Hi-Frequency Transit Network	Locations located within ¼ mile of a fixed route stop on Metro Transit’s Hi-Frequency Network.	4
Access to Public Transportation	Locations within one quarter mile of a high service ² public transportation fixed route stop or within one half mile of an express route bus stop or park and ride lot.	2
<ul style="list-style-type: none">Walkability (one of the following):		
Walk Score of 70+	Walk Score is based on results from the following tool: www.walkscore.com . Applicant must submit a dated print out of locations’ Walk Score from the Walk Score tool. ³	2
Walk Score of 50-69		1
<ul style="list-style-type: none">Transit Oriented Development (1 point if 1 item below is achieved, 2 points if 2 or more items are achieved): <i>continued on next page</i>		

¹ Includes planned stations on future transitways that are in advanced design or under construction. To be considered in advanced design, transitways need to meet the following criteria: issuance of a draft EIS, station area planning underway, and adoption by the Metropolitan Council Transportation Policy Plan. Transitways entering into advanced design after publication will be eligible, but data may not be available using Minnesota Housing scoring tools.

² High service fixed route stop defined as those serviced during the time period 6 AM through 7 PM and with service approximately every half hour during that time.

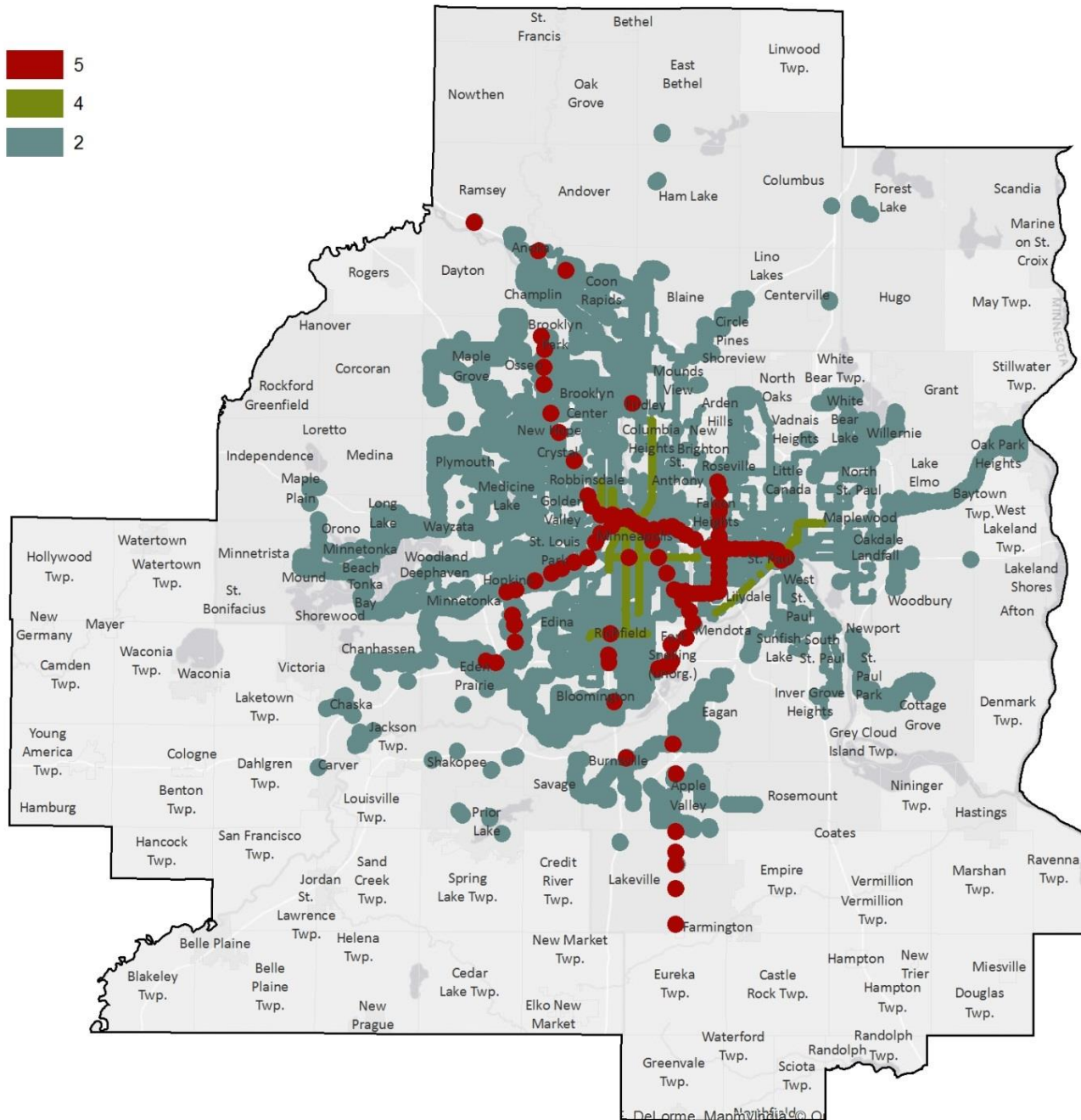
³ If applicants would like to request revisions of a location's Walk Score, they may contact Walk Score directly with details of the request to mhfa-request@walkscore.com. Walk Score staff will review the request and make necessary adjustments to scoring within 45 business days. If an address cannot be found in the Walk Score tool, use closest intersection within ¼ mile of the proposed location.

<ul style="list-style-type: none"> Transit Oriented Development (1 point if 1 item below is achieved, 2 points if 2 or more items are achieved): <p><i>To be eligible for any of these points, the location must be within ¼ mile of a planned or existing LRT, BRT, or Commuter Rail Station.⁴</i></p>	
Parking	Parking for residential units or visitors is not more than the smallest allowable parking minimum under local zoning requirements. If no residential parking or visitor parking is required under local zoning, no more than 0.2 visitor parking spaces per residential unit can be provided (i.e. 10 stalls in a 50 unit and 20 stalls in a 100 unit building).
Building Orientation and Connections	There must be existing walkable or bikeable connections from the property to the station area via sidewalk or trail or funding must be secured to create such connections, and there must be at least one accessible building entrance oriented toward such connections, and parking cannot be situated between the building and station area.
Density	Site density must be at the maximum allowable density under the local comprehensive plan.
Alternative Means	Alternatives include car sharing (Where one or more passenger automobiles are provided for common use by residents), bike storage, shared parking arrangements with adjacent property owners, etc. which results in a reduction in the local minimum parking requirement, and parking for residential units is not more than the local minimum parking requirement, or if no residential parking is required under local zoning, 10 or fewer parking stalls are provided.

The following map shows areas with access to transit. An interactive version of this map is accessible at: www.mnhousing.gov > Policy & Research > Community Profiles.

⁴ Within 6 months of the date of selection (Minnesota Housing Board selection date) the applicant must provide Minnesota Housing with documentation of local authorization or approval, where such approval is necessary, for points taken under transit oriented development. The documentation must state the terms and conditions and be executed or approved at a minimum by the contributor. Lack of acceptable documentation will result in the reevaluation and adjustment of the tax credits or RFP award, up to and including the total recapture of tax credits or RFP funds.

Figure 1: Transit Access Point Levels in the Twin Cities Metro



Map Source: Minnesota Housing analysis of MetroTransit data on Hi-Frequency Network, Planned and Existing Transit Lines, bus service, and park and rides (obtained January 2016)

Greater Minnesota

For areas in Greater Minnesota with access to fixed route transit, applicants can receive up to 9 points with a combination of access to transit and walkability. For areas without fixed route transit, applicants can receive up to 9 points with a combination of proximity to jobs, and access to dial-a-ride or demand-response transit, and walkability. These options are described below.

A. For areas with fixed route transit service:

• Access to Transit (one of the following):		Points
Within ¼ mile of existing or planned ⁵ fixed route transit stop		7
Between ¼ mile and ½ mile of existing or planned fixed route transit stop		4
Less than ½ mile from an express bus route stop or park and ride lot		4
• Walkability (one of the following):		
Walk Score of 70+	Walk Score is based on results from the following tool: www.walkscore.com . Applicant must submit a dated print out of locations' Walk Score from the Walk Score tool. ⁶	2
Walk Score of 50-69		1

B. For areas without fixed route transit service:

• Access to Transit (one of the following):		Points
Close to jobs <u>and</u> demand response/dial-a-ride service with no more than 1 hour advance notice required to schedule a pickup and no minimum number of riders are required.		7
Close to jobs <u>and</u> demand response/dial-a-ride service with same day pick-up guaranteed if scheduled by 8:00 a.m. or later and no minimum number of riders are required.		4
Close to jobs <u>and</u> demand response/dial-a-ride service not meeting the scheduling terms above.		2
• Walkability (one of the following):		
Close to jobs <u>and</u> Walk Score of 50+		2
Close to jobs <u>and</u> Walk Score of 35-49		1
<ul style="list-style-type: none"> Jobs: property is located within a census tract that is close to low and moderate wage jobs¹ Dial-a-Ride: The proposed housing has access to regular demand-response/dial-a-ride transportation service Monday through Friday during standard workday hours (7:00 AM to 5:30 PM). Applicants must provide documentation of access and availability of service and describe how the service is a viable transit alternative that 		

⁵ Greater Minnesota planned transit stops must be for fixed route service. For a Greater Minnesota planned fixed route-transit stop to be eligible for points under the QAP, applicants must provide detailed location and service information including time and frequency of service and estimated service start date, and provide evidence of service availability from the transit authority providing service. The major, federally funded transit authorities in Greater Minnesota are Duluth Transit Authority, East Grand Forks Transit, La Crescent Apple Express, Moorhead Metropolitan Area Transit, Rochester Public Transit, St. Cloud Metro Bus, and Mankato Transit. Other, smaller transit organizations are also eligible, including Tribal transit organizations, provided these organizations must have established fixed-route bus service.

⁶ If applicants would like to request revisions of a location's Walk Score, they may contact Walk Score directly with details of the request to mhfa-request@walkscore.com. Walk Score staff will review the request and make necessary adjustments to scoring within 45 business days. If address cannot be found in the Walk Score tool, use the closest intersection within ¼ mile of the proposed location.

could be used for transportation to work, school, shopping, services and appointments. Applicants can find service providers by county or city at the MN Department of Transportation Transit website:

<http://www.dot.state.mn.us/transit/riders/index.html>.

- Walk Score is based on results from the following tool: www.walkscore.com. Applicant must submit a dated print out of locations' Walk Score from the Walk Score tool.

The maps and tables on the following pages provide detail to support the Greater Minnesota transportation priority.

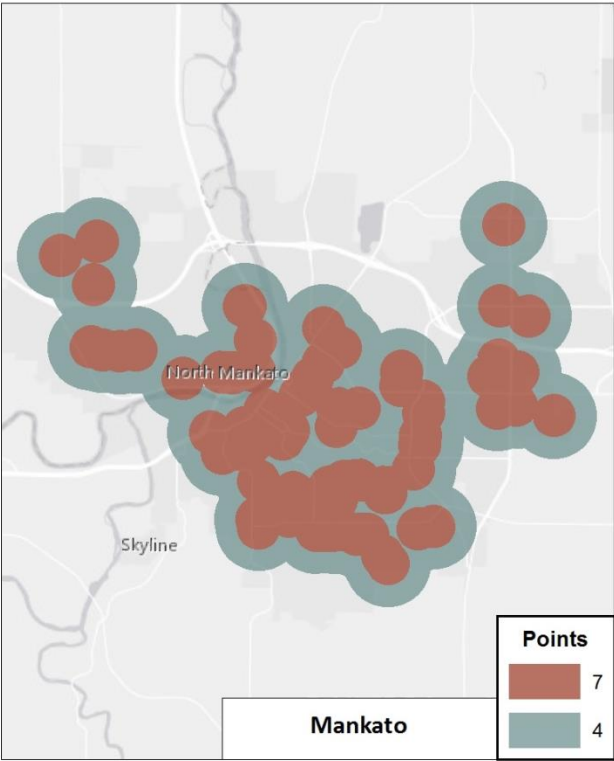
- The maps on page 6 display fixed route stops and ¼ and ½ mile buffers in Duluth, Rochester, Moorhead, Mankato, and St. Cloud.
- The map on page 7 displays the census tracts that are close to low and moderate wage jobs for 2013.
- Table 1 beginning on page 8 lists these census tracts. Interactive maps showing access to low and moderate wage jobs are provided on Minnesota Housing's website: www.mnhousing.gov > Policy & Research > Community Profiles

To receive points under access to fixed route transit, applicants in Greater Minnesota must submit a map identifying the location of the project. For communities that Minnesota Housing does not have data for, applicants must submit a map with exact distances to the eligible public transportation station/stop and include a copy of the route, span, and frequency of services. Applicants can find service providers by county or city at the MN Department of Transportation Transit website, <http://www.dot.state.mn.us/transit/riders/index.html>

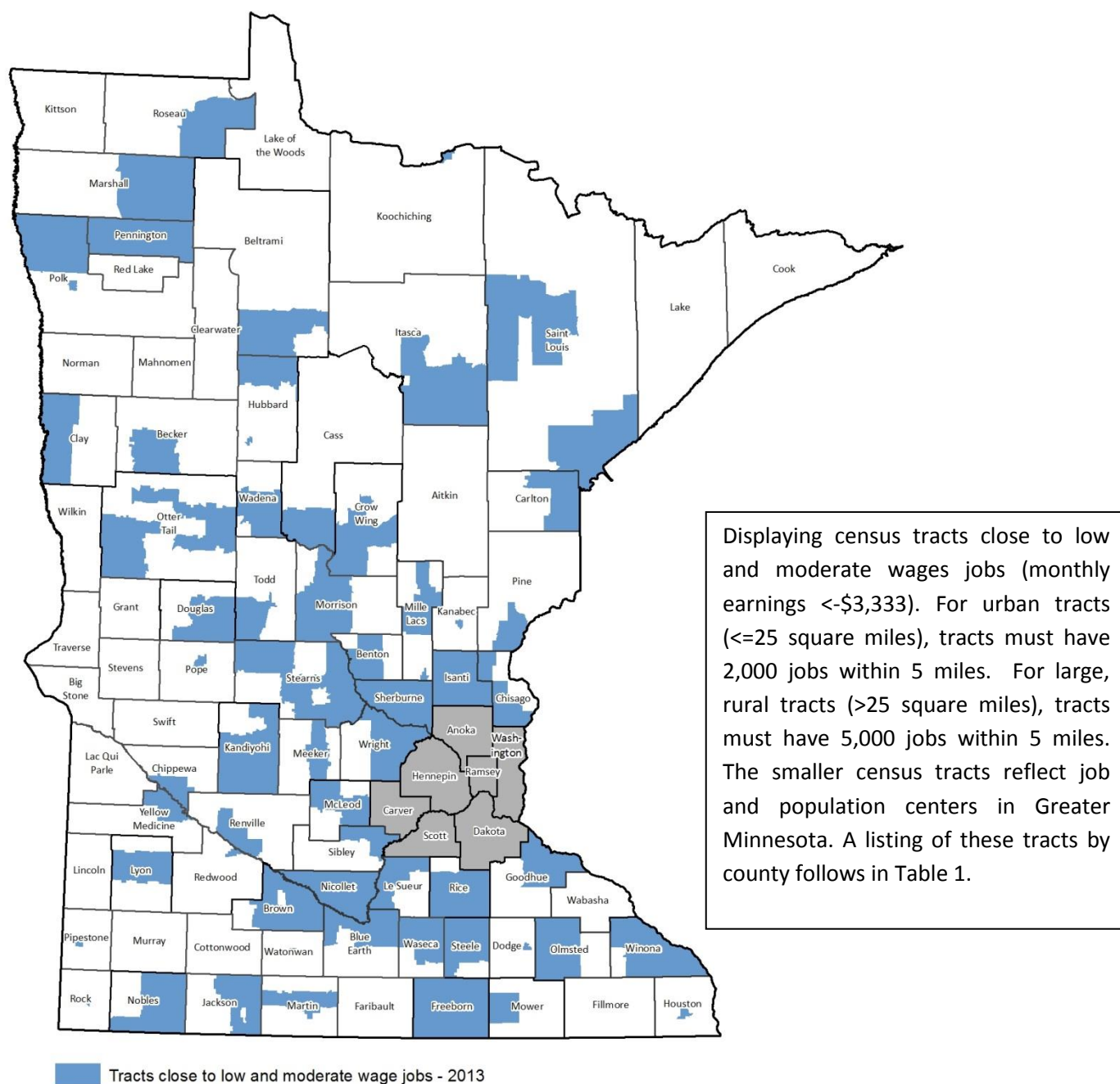
Figure 2: Transit Access Point Levels in Greater Minnesota



Figure 2: Transit Access Point Levels in Greater Minnesota



Source: Duluth Transit Authority, Rochester Public Works, Saint Cloud Metropolitan Transit Commission, MATBUS (Moorhead), and city of Mankato.

Figure 3: Jobs in Greater Minnesota

Map Source: Minnesota Housing analysis US Census Local Employment Dynamics program data, 2013.

Table 1: Census tracts close to low and moderate wage jobs in Greater Minnesota by county

Becker	Brown	301.03	801.01	7806
4503	9601.01	301.04	801.02	7807
4504	9601.02	301.06	802	7808
4505	9602	301.07	803	7810
4506	9603	Crow Wing	804	7811
4507	9604	9505.02	Houston	7812
4508	9607	9508	205	Koochiching
Beltrami	Carlton	9509	Hubbard	7901
4501	701	9510	701	7902
4502	702	9511	706	Le Sueur
4503	703	9512	Isanti	9501
4506	704	9513.01	1301	9502
4507.01	9400	9513.02	1302	9506
4507.02	Cass	9514	1303.01	Lyon
Benton	9608.01	Dodge	1303.02	3602
202.02	9608.02	9505	1304	3603
202.05	Chippewa	Douglas	1305.01	3604
202.06	9503	4505	1305.02	3605
203	9506	4506	1306	Marshall
211.01	Chisago	4507.01	Itasca	801
211.02	1101	4507.02	4803	Martin
212	1103.01	4508	4806	7902
Blue Earth	1103.02	4509	4807	7905
1701	1104.01	4510	4808.01	7906
1702	1104.02	Freeborn	4808.02	McLeod
1703	1105.01	1801	4809	9502
1704	1105.02	1802	4810	9503
1705	1106	1803	Jackson	9504
1706	Clay	1804	4801	9506
1707	201	1805	Kanabec	9507
1708	202.02	1806	4803	Meeker
1709	203	1807	Kandiyohi	5602
1711.01	204	1808	7709	5603
1712.02	205	1809	7801	5604
1713	206	1810	7804	Mille Lacs
1716	301.02	Goodhue	7805	1707

9703	6	Pennington	708	22
Morrison	9.01	901	709.01	23
7802	9.02	902	709.02	24
7803	9.03	903	Rock	26
7806	10	904	5702	29
7807	11	905	Roseau	30
7808	12.01	Pine	9704	33
Mower	12.02	9506	Sherburne	34
1	12.03	9507	301.01	36
2	13.01	Pipestone	301.02	37
3	13.02	4602	302	38
4.1	14.01	4603	303	101
6	14.02	Polk	304.02	102
8	15.01	201	304.03	103
9	15.02	202	304.04	104
10	15.03	203	305.02	105
Nicollet	16.01	204	305.03	106
4801	16.02	206	305.04	111
4802	16.03	207	315	121
4803	17.01	Pope	Sibley	122
4804	17.02	9704	1701.98	123
4805.01	17.03	Redwood	St. Louis	124
4805.02	18	7502	1	125
4806	19	7503	2	126
Nobles	21	Renville	3	128
1051	22	7904	4	130
1053	23	Rice	10	131
1054	Otter Tail	702	11	132
1055	9604	703	12	133
1056	9606	704	13	134
Olmsted	9608	705.01	14	135
1	9609	705.03	16	151
2	9610	705.04	17	152
3	9611	706.01	18	156
4	9613	706.02	19	157
5	9617	707	20	158

5	9607	1011
6	Todd	Yellow Medicine
7	7906	9701
9	7907	
9901	Wadena	
Stearns	4802	
3.01	Waseca	
3.02	7901	
4.01	7903	
4.02	7904	
5	7905	
6.01	Watonwan	
6.02	9502	
7.01	Winona	
8.01	6701	
9.01	6702	
10.01	6703	
101.01	6704	
101.02	6705	
102	6706	
105	6707	
106	6708	
111	6709	
112	Wright	
113.01	1001	
113.04	1002.02	
114	1002.03	
115	1002.04	
116	1003	
Steele	1007.01	
9601	1007.02	
9602	1007.03	
9603	1008.01	
9604	1008.02	
9605	1009	
9606	1010	

This page intentionally blank.

Qualified Census Tracts (QCT), Tribal Equivalent Areas Methodology

QCT are based on Census Tract boundaries, but the boundaries of larger Census Tracts and reservations in greater Minnesota do not always align. Thus, large geographic areas of some low-income reservations are not classified as QCTs. Reservations that meet the criteria for designation as a QCT are treated as a QCT equivalent area if either (1) the entire reservation meets the definition of a QCT or (2) if a tract within the reservation is eligible under current HUD QCT criteria¹. Applicants will find interactive maps to identify whether a property falls within these areas on Minnesota Housing's website – www.mnhousing.gov > [Policy & Research](#) > [Community Profiles](#).

Eligible Areas

The reservations in the table below and identified on the map on the following page are eligible as Tribal QCT equivalent areas. To be eligible, these areas must meet either income or poverty thresholds:

- Areas are eligible based on income thresholds if 50% or more of households have incomes below the average household size adjusted income limit for at least two of three evaluation years (2011-2013).
- Areas are eligible based on the poverty threshold if the poverty rate is 25% or higher for at least two of three evaluation years (2011-2013).

Indian Reservations or Trust Land in Minnesota Based on Characteristics of Eligibility for Qualified Census Tracts

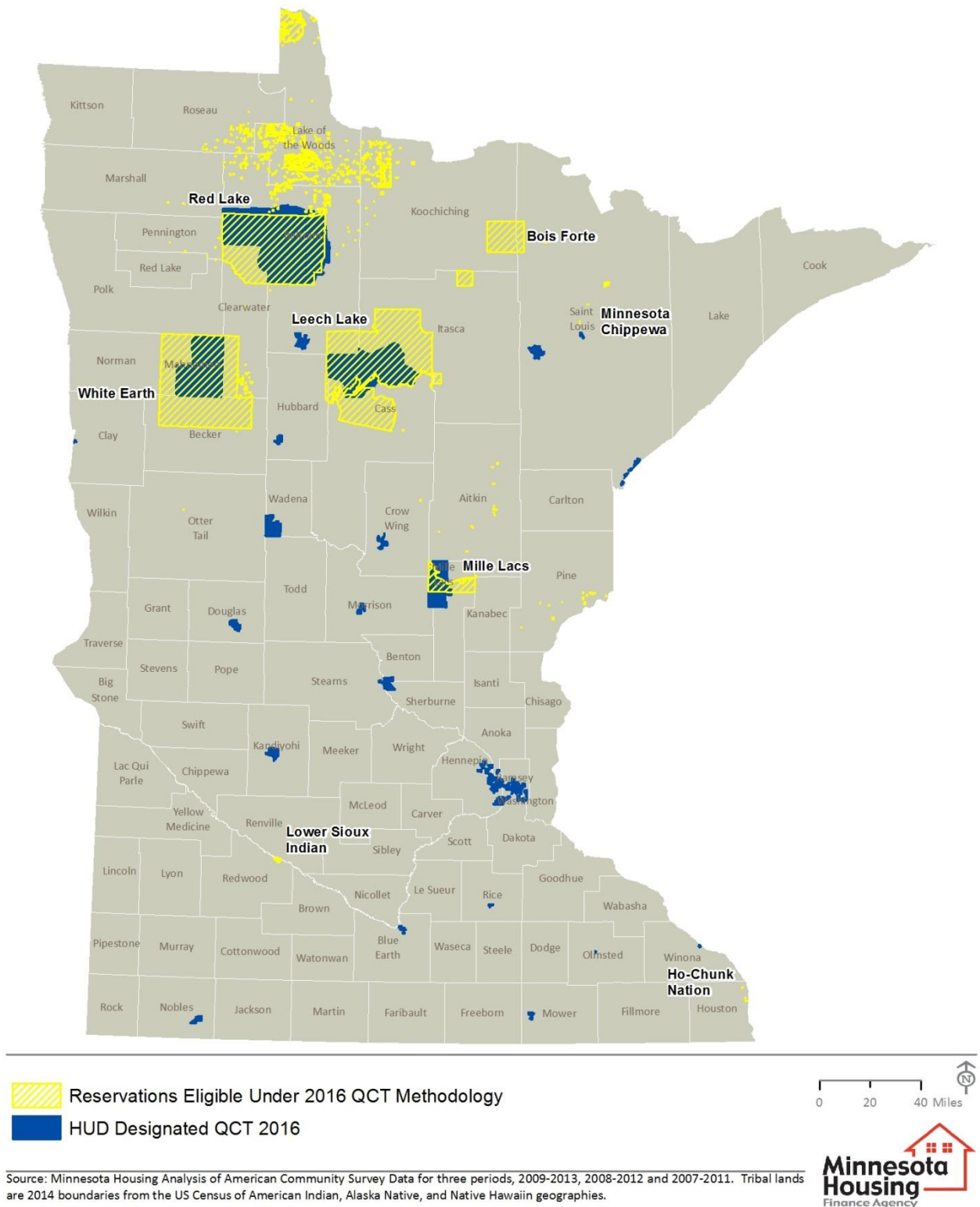
	Years Eligible Based on Income	Years Eligible based on Poverty
Indian Reservation		
Bois Forte Reservation, MN	2	0
Ho-Chunk Nation Reservation and Off-Reservation Trust Land, WI--MN	3	3
Leech Lake Reservation and Off-Reservation Trust Land, MN	1	2
Lower Sioux Indian Community, MN	1	3
Mille Lacs Reservation and Off-Reservation Trust Land, MN	3	1
Minnesota Chippewa Trust Land, MN	3	0
Red Lake Reservation, MN	3	3
White Earth Reservation and Off-Reservation Trust Land, MN	3	2

Sources: Decennial Census, HUD Income Limits (Statewide for Very Low Income, 50%), American Community Survey 2007-2011, 2008-2012, and 2009-2013 samples.

Minnesota Housing will update the list of Tribal Census tracts or reservations, in accordance with HUD updates to federally designated qualified census tracts.

¹ HUD QCT Designation Algorithm found here: http://qct.huduser.org/tables/QCT_Algorithm_2016.htm

Qualified Census Tracts and Tribal Lands Eligible Under QCT Methods

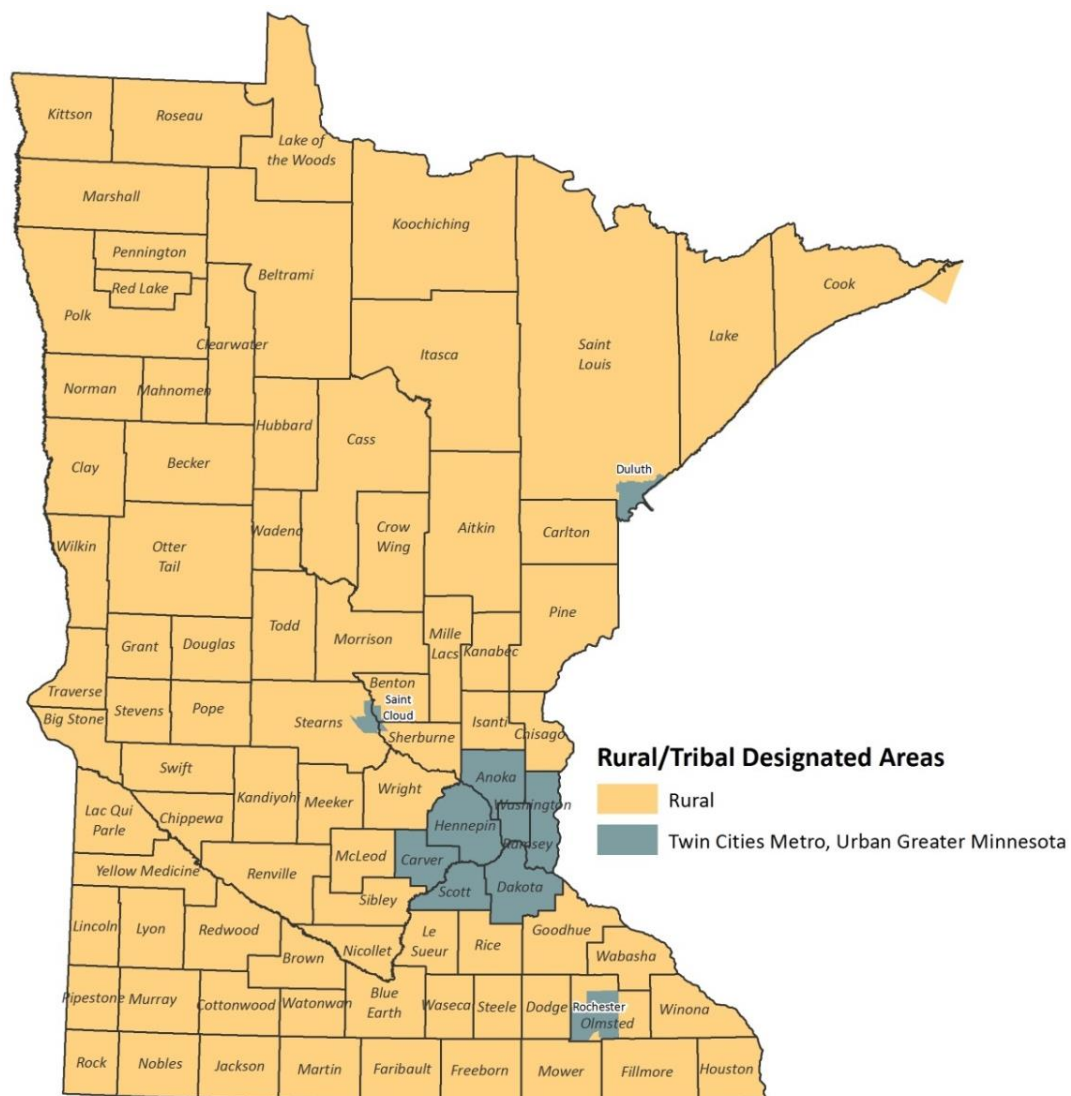


Rural/Tribal Designated Areas

Because communities in rural parts of Minnesota are not eligible for economic integration or school performance priority points, the selection process has a 10 point criterion for rural communities in order to maintain balance in the allocation plan.

Minnesota Housing defines rural communities as Census tracts outside of the Twin Cities 7 County Metropolitan Area and Census tracts largely outside Greater Minnesota cities with a population over 50,000. These cities include tracts in, Duluth, Rochester, and St Cloud.

The map below shows areas receiving the rural/tribal designation points in orange. The following pages list the tracts eligible by county.



Tracts Eligible for Rural/Tribal Designation Points

Aitkin	1701	9606	4802	4601
7701	1702	9607	Cottonwood	4602
7702	1703	9608.01	2701	4603
7703	1704	9608.02	2702	4604
7704	1705	Chippewa	2703	4605
7905.01	1706	9503	2704	4606
7905.02	1707	9504	Crow Wing	Fillmore
Becker	1709	9505	9501	9601
4501	1710	9506	9502.04	9602
4502	1713	Chisago	9504	9603
4503	1714	1101	9505.01	9604
4504	1715	1102	9505.02	9605
4505	1708	1103.01	9507	9606
4506	1712.02	1103.02	9508	Freeborn
4507	1716	1104.02	9509	1801
4508	1711.01	1105.01	9510	1802
4509	Brown	1105.02	9511	1803
9400	9601.01	1106	9512	1804
Beltrami	9601.02	1107	9513.01	1805
4501	9602	1104.01	9513.02	1806
4502	9603	Clay	9514	1807
4503	9604	201	9516	1808
4504	9605	202.02	9517	1809
4505	9606	203	Dodge	1810
4506	9607	204	9501	Goodhue
4507.01	Carlton	205	9502	801.01
4507.02	701	206	9503	801.02
9400.01	702	301.02	9504	802
9400.02	703	301.07	9505	803
Benton	704	302.01	Douglas	804
201	705	302.02	4501	805
202.02	706	301.06	4502	806
202.03	9400	301.03	4505	807
202.05	Cass	301.04	4506	808
203	9400.01	Clearwater	4507.01	809
Big Stone	9400.02	1	4507.02	Grant
9501	9601	2	4508	701
9502	9602	3	4509	702
9503	9603.01	Cook	4510	Houston
Blue Earth	9603.02	4801	Faribault	201

202	4803	9506	5606	4805.02
203	4804	Lincoln	Mille Lacs	Nobles
205	Kandiyohi	2010.01	1704	1051
209	7709	2010.02	1705	1052
Hubbard	7801	Lyon	1706	1053
701	7802	3601	1707	1054
702	7803	3602	9701	1055
703	7804	3603	9702	1056
704	7805	3604	9703	Norman
705	7806	3605	Morrison	9601
706	7807	3606	7801	9602
707	7808	3607	7802	9603
Isanti	7810	Mahnomen	7803	Olmsted
1301	7811	9401	7804	18
1302	7812	9403	7805	19
1303.01	Kittson	Marshall	7806	20
1303.02	901	801	7807	21
1304	902	802	7808	Otter Tail
1305.01	Koochiching	803	Mower	9601.02
1305.02	7901	804	1	9601.03
1306	7902	Martin	2	9603
Itasca	7903	7901	3	9604
4801	7905	7902	10	9605
4803	Lac Qui Parle	7903	12	9606
4804	1801	7904	13	9607
4805	1802	7905	14	9608
4806	1803	7906	4.1	9609
4807	Lake	McLeod	6	9610
4808.01	3701	9501	8	9611
4808.02	3703	9502	9	9612
4809	3704	9503	Murray	9613
4810	Lake of the Woods	9504	9001	9614
9400	4603	9505	9002	9615
Jackson	4604	9506	9003	9616
4801	Le Sueur	9507	Nicollet	9617
4802	9501	Meeker	4801	Pennington
4803	9502	5601	4802	901
4804	9503	5602	4803	902
Kanabec	9504	5603	4804	903
4801	9505	5604	4806	904
4802		5605	4805.01	905

Pine	7501	9704	301.01	9605
9501	7502	9705	301.02	9606
9502	7503	Saint Louis	302	9607
9503	7504	104	303	9608
9504	7505	105	304.02	Stevens
9505	7506	106	304.03	4801
9506	Renville	111	304.04	4802
9507	7901	112	305.02	4803
9508	7902	113	305.03	Swift
Pipestone	7903	114	305.04	9601
4601	7904	126	Sibley	9602
4602	7905	127	1701.98	9603
4603	7906	128	1702	9604
4604	Rice	130	1703	Todd
4605	701	131	1704	7901
Polk	702	132	Stearns	7902
201	703	133	102	7903
202	704	134	104.01	7904
203	705.01	135	104.02	7905
204	705.03	136	104.03	7906
205	705.04	138	105	7907
206	706.01	139	106	7908
207	706.02	140	109	Traverse
208	707	141	110	4601
209	708	151	111	4602
210	709.01	152	112	Wabasha
Pope	709.02	153	113.02	4901
9701	Rock	154	113.04	4902
9702	5701	155	114	4903
9703	5702	121	115	4904
9704	5703	122	Steele	4905
Red Lake	Roseau	123	9601	4906
101	9701	124	9602	
102	9702	125	9603	
Redwood	9703	Sherburne	9604	

Cost Containment Methodology – 2018 QAP

Background

Cost containment points are awarded to the 50% of proposals with the lowest total development costs (TDC) per unit in each of the following four groups:

1. New Construction – Metro
2. New Construction – Greater MN
3. Rehabilitation – Metro
4. Rehabilitation – Greater MN

To address the issue of varying costs among developments for singles, families, and large families, the calculation of TDC per unit includes adjustment factors to bring these costs into equivalents terms. The adjustments reflect historical differences. For example, new construction costs for family/mixed developments are typically 16% higher than the costs for developments for singles. Thus, to make the costs for singles equivalent to those for families/mixed, TDCs per unit for singles are increased by 16% when making cost comparisons.

This cost containment criterion only applies to the selections for competitive 9% credits. It does not apply to 4% credits with tax-exempt bonds.

The purpose of the criterion is to give developers an incentive to “sharpen their pencils” and eliminate unnecessary costs and/or find innovative ways to minimize costs. Minnesota Housing does not want developers to compromise quality, durability, energy-efficiency, location desirability, and ability to house lower-income and vulnerable tenants. To ensure that these priorities are not compromised, all selected developments must meet Minnesota Housing’s architectural and green standards. In addition, the Agency has intentionally set the points awarded under the cost containment criterion (6 points) to be equal to or less than the points awarded under other criterion, including economic integration, location efficiency, workforce housing, permanent supportive housing for households experiencing homelessness, and others.

Process for Awarding Points

To carry out the competition, the following process will be followed for all proposals/applications seeking competitive 9% credits:

- Group all the 9% tax credit proposals into the 4 development type/location categories:
 - New Construction – Metro
 - New Construction – Greater Minnesota
 - Rehabilitation – Metro
 - Rehabilitation – Greater Minnesota
- Adjust the costs for developments for singles and large families to make them equivalent to the costs for family/mixed developments. See the second column of Table 1 for the adjustments. For example, the TDC per unit for large-family new-construction projects is multiplied by 0.95 to make it equivalent to the costs for a family/mixed development. Specifically, if the TDC per unit is \$240,000 for a large-family new-construction development, it is multiplied by 0.95 to compute the equivalent cost of \$228,000.

- After adjusting the costs for single and large-family developments, order all the proposals by TDC per unit within each of the four groups from lowest to highest.
- Within each group, award 6 points to the 50% of proposals with the lowest TDCs per unit.
 - If the number of proposals in a group is even, the number of proposals eligible to get points = $(\text{Number of proposals in group})/2$
 - If the number of proposals in a group is odd, the number of proposals eligible to get points = $(\text{Number of proposals in group})/2$
Rounded down to nearest whole number

However,

- If the next proposal in the rank order (of those not already receiving points) meets that group's threshold (see the third column of Table 1), that proposal is also eligible to get points, or
- If that proposal's TDC per unit is higher than the threshold, it does not get points.

Only proposals that claim cost containment points on the self-scoring worksheet and are in the lowest half of the costs for their group will actually receive the cost containment points.

The cost thresholds in the third column reflect the historical mid-point costs for family/mixed developments in each group.

Table 1: 2018 QAP - Adjustment Factors and Thresholds to Determine if Middle Proposal Gets Points if Odd Number in Group

	Cost Adjustment to Families/ Mixed	Threshold Test if Odd Number of Proposals
New Construction Metro for Singles	1.16	\$247,000
New Construction Metro for Families/Mixed	1.00	
New Construction Metro for Large Families	0.95	
New Construction Greater MN for Singles	1.16	\$196,000
New Construction Greater MN for Families/Mixed	1.00	
New Construction Greater MN for Large Families	0.95	
Rehabilitation Metro for Singles	1.23	\$197,000
Rehabilitation Metro for Families/Mixed	1.00	
Rehabilitation Metro for Large Families	0.83	
Rehabilitation Greater MN for Singles	1.23	\$156,000
Rehabilitation Greater MN for Families/Mixed	1.00	
Rehabilitation Greater MN for Large Families	0.83	
<ul style="list-style-type: none">• "Metro" applies to the seven-county Twin Cities metro area, while "Greater MN" applies to the other 80 counties.• "Singles" applies to developments where the share of efficiencies and 1 bedroom units is 75% or greater.• "Large Families" applies to developments where the share of units with 3 or more bedrooms is 50% or greater.• "Families/Mixed" applies to all other developments.• "New Construction" includes regular new construction, adaptive reuse/conversion to residential housing, and projects that mix new construction and rehabilitation if the new construction gross square footage is greater than the rehabilitation square footage.		

Implementation Details

To recognize the unique costs and situation of projects on Tribal lands, these projects will receive a 15% adjustment to their costs. Their costs will be reduced by 15% when they compete for the cost-containment points.

A different process occurs for the second round of tax credit selections. For each of the four competition groups, the cost per unit of the proposal at the 50th percentile in round 1 (using the identification process and adjustments outlined earlier) will determine the cut point or threshold for receiving points in round 2.

In the self-scoring worksheet, all proposals that believe they have contained their costs should select these points; however, during the final scoring by the Agency, staff will take away the points from those proposals not in the lower half of costs for each of the four categories. (To identify the 50% of proposals with the lowest costs in each category, the Agency will include the costs of all proposals/applications seeking 9% tax credits, not just those electing to participate in the competition for cost containment points by claiming the points in the self-

scoring worksheet. However, only those electing to participate in the competition by claiming the points in the self-scoring worksheet will be eligible to receive the points if they are in the lower half of project costs.)

If a project receives points under this criterion, failure to keep project costs under the applicable cost threshold will be considered an unacceptable practice and result in negative 4 points being awarded in the applicant's next round of tax credit submissions.

The “applicable cost threshold” will be determined by the cost-containment selection process. Within each of the 4 development/location types, the cost per unit of the proposal at the 50th percentile (using the identification process identified earlier) will represent the “applicable cost threshold” that projects receiving cost-containment points will need to meet (with appropriate adjustments for single, family/mixed, and large family developments). For example, if the 50th percentile proposal for new construction in Greater Minnesota is a family/mixed development with a per unit cost of \$195,000, all new construction developments in Greater Minnesota receiving the cost-containment points will need to have a final cost per unit at or below this threshold when the project is completed. In making the assessment, the final costs for new-construction single developments will be multiplied by 1.16 and compared with the \$195,000 threshold. Likewise, the final costs for large family developments will be multiplied by 0.95.

Under this process, there will be some cushion for cost overruns for projects that have proposed costs less than the applicable cost thresholds. However, the project at the 50th percentile, which is the basis of the applicable cost threshold, will have no cushion. Its actual costs will have to be at or below its proposed costs to avoid the negative 4 points. Because applicants will not know if their project is the one at the 50th percentile until after applications have been submitted and funding decisions have been made, all applicants need to carefully assess their proposed costs and the potential for cost increases.

This cost containment competition does not apply to proposals/applications seeking 4% tax credits with tax exempt bonds. However, as discussed below, Minnesota Housing will assess the cost reasonableness of all tax credit proposals, including 4% credits, using the Agency's predictive cost model.

If developers are concerned about their costs and keeping them within the “applicable cost threshold”, they should not claim the cost-containment points in the self-scoring worksheet.

Predictive Cost Model And Cost Reasonableness

Besides awarding cost-containment points under this criterion, Minnesota Housing will also evaluate “cost-reasonableness” of all proposed tax credits developments (even those that do not receive points under this criterion) using the Agency's predictive cost model. The model is a regression analysis that predicts total development costs using data from developments that the Agency has financed in the past (adjusted for inflation) and industry construction costs from RSMeans. The model measures the individual effect that a set of explanatory variables (which includes building type, building characteristics, unit characteristics, type of work carried out, project size, project location, population served, financing, etc.) have on costs. During the process of evaluating projects for funding, Minnesota Housing compares the proposed total development costs for each project with its predicted costs from the model. The Agency combines the model's results with the professional assessment of the Agency's architects and underwriters to assess cost reasonableness overall. The purpose of the cost-reasonableness testing (on top of the cost-containment scoring) is to ensure that all developments financed by Minnesota Housing have reasonable costs, even 4% credits and the 50% that do not receive points under the cost-containment criterion.

Continuum of Care (CoC) Priorities for the 2018 QAP

Priority Household Type Options: Singles, Families, Youth (age 24 and younger; includes singles or parenting youth)

Central	
County	Household Type
Benton	Singles
Cass	Families
Chisago	Singles
Crow Wing	Singles
Isanti	Singles
Kanabec	Families
Mille Lacs	Families
Morrison	Singles
Pine	Families
Sherburne	Families
Stearns	Singles
Todd	Singles
Wright	Families
Hennepin County	
Hennepin	Families
Northeast	
Aitkin	Singles
Carlton	Singles
Cook	Families
Itasca	Families
Koochiching	Singles
Lake	Families
Northwest	
Beltrami	Youth
Clearwater	Families
Hubbard	Families
Kittson	Families
Lake of the Woods	Families
Mahnomen	Families
Marshall	Families
Norman	Families
Pennington	Families
Polk	Families
Red Lake	Families
Roseau	Families
Ramsey County	
Ramsey	Singles

Southeast	
County	Household Type
Blue Earth	Singles
Brown	Singles
Dodge	Families
Faribault	Singles
Fillmore	Families
Freeborn	Families
Goodhue	Families
Houston	Families
Le Sueur	Singles
Martin	Singles
Mower	Families
Nicollet	Singles
Olmsted	Families
Rice	Families
Sibley	Singles
Steele	Families
Wabasha	Families
Waseca	Families
Watonwan	Singles
Winona	Families
St Louis County	
St Louis	Singles
Southwest	
Big Stone	Singles
Chippewa	Singles
Cottonwood	Singles
Jackson	Singles
Kandiyohi	Families
Lac qui Parle	Singles
Lincoln	Singles
Lyon	Singles
McLeod	Families
Meeker	Families
Murray	Families
Nobles	Families
Pipestone	Families
Redwood	Singles
Renville	Families
Rock	Families
Stone	Singles
Yellow Medicine	Singles

Suburban Metro Area	
County	Household Type
Anoka	Singles
Carver	Singles
Dakota	Singles
Scott	Singles
Washington	Singles
West Central	
Becker	Families
Clay	Families
Douglas	Families
Grant	Families
Otter Tail	Families
Pope	Families
Stevens	Families
Traverse	Families
Wadena	Families
Wilkin	Families

These priorities were determined and approved by each COC governing body. The COC is required to invite broad community input, including tribal representatives if the COC region includes tribal land, and must broadly advertise the meeting to vote on the priority. The COC must use the most recent, reliable local data and needs assessment to determine the priority. Recommended methodology is to use the local Point in Time Data (PIT), Housing Inventory Chart (HIC), and the HUD HDX formula for calculating need. Data from coordinated entry or local housing studies may also be used. The Minnesota Interagency Council on Homelessness verifies that the prioritization process is valid.